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ABSTRACT

A 10-day seminar for senior government officials concerned with making rural development policies in selected Asian countries focused on programs adopted by various Asian governments to tackle rural development problems. To compare various approaches, seven indicators of rural development were used: agricultural productivity; rural employment; distribution of income and wealth within different rural groups and classes and between rural and urban areas; welfare services available to classes in rural areas as well as relative to urban areas; extent of effective participation of rural people in decisions at national and local levels; degree of social mobility within classes and ethnic groups in rural areas; and changes in values, beliefs, and attitudes which increase capacity of rural people to control their environment. This document contains a summary of discussions on the following themes: Concept of Rural Development, Its Measurement and Place in Overall National Development; Policies of Rural Development; Implementation of Rural Development Policies; and Accelerating Rural Development. Included are recommendations, summaries of 13 research-team papers, and studies on policies and programs in Afghanistan, Bangladesh, India, Indonesia, Iran, Korea, Malaysia, Pakistan, Philippines, and Sri Lanka. (RS)

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ACDA

STRATEGIES OF RURAL DEVELOPMENT IN ASIA – A DISCUSSION

SUMMARY OF DISCUSSION, RESEARCH STUDIES AND COUNTRY STATEMENTS PRESENTED TO SEMINAR ON APPROACHES TO RURAL DEVELOPMENT IN ASIA *HELD IN MAY-JUNE 1975*

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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ASIAN CENTRE FOR DEVELOPMENT ADMINISTRATION
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FOREWORD

By

B. Mahadeva
Director
Asian Centre for Development Administration

The Asian Centre for Development Administration (ACDA) is an United Nations sponsored organisation which was established in October 1973 by the member governments of the Economic and Social Commission for Asia and the Pacific (ESCAP) to help the countries of the region in improving their administrative capability for national development. The Centre undertakes research and comparative studies on various problems, particularly administrative and managerial problems, connected with social and economic development in Asia. It also organises meetings, seminars and training courses for senior officials from Asian countries who play a significant role in national development.

The Governing Council of ACDA selected five major fields in which the Centre should conduct its activities in the initial phase of its existence. One of these fields is that of Rural Development. The importance of this area can hardly be over-estimated. More than three fourths of Asia's population still live in the rural areas. Asian development must therefore primarily be rural development. Yet, if one examines the national development plans of most Asian countries in the post-war period, particularly during 1950s and 60s, it is difficult to escape the conclusion that the Governments of the region did not have a real commitment to rural development. Past strategies in most Asian countries have tended to emphasize "economic growth". Emphasis has been on increasing the rate of growth, with a corresponding concentration of effort on the "high growth" modern sectors of the economy and the relative neglect of the traditional rural sector, particularly the poorer segments of that sector.

There were, even at that time, a few lone voices raised against this trend. In India, for instance, Mahatma Gandhi insisted that the primary emphasis in national development should be on the rural areas and particularly among the rural poor. He warned against excessively rapid urban-based industrialisation and emphasized the importance of cottage industries - handloom spinning and weaving for instance - designed to provide employment and generate incomes for the rural poor. But his was a voice in the wilderness. In spite of the great respect in which he was held, most Indian intellectuals scoffed at his economic and social ideas and dismissed them as backward and primitive. In a vastly different form, the communists in China grasped this central message and have always given pride of place to

the rural population and the rural areas in their development programmes. The organisation of the communes, the attempts to convert these communes into rural agro-industrial centres, the determined effort to force urban intellectuals, government officials and professional men to work for long periods as farmers and to live as peasants in the rural areas - all these underline the communist view that, in Asia, planned rural development must proceed side by side with, and even take precedence over, the needs of urbanisation and modernisation. In its most extreme form, this view is represented by the decision of the new Communist Government in Cambodia to almost completely evacuate its principal urban centres.

During the 1950s and early 60s, most of the non-communist countries in Asia emphasized urbanisation, modernisation and industrialisation and paid comparatively less attention to overall rural development. I believe there has been a welcome change away from this trend in the late 1960s and in 1970s. Increasing emphasis is now being placed in national development plans on the problems of planned rural development - "integrated rural development" as it is now more fashionably called. In the past, rural development was often considered as synonymous with agricultural development - an attempt to increase agricultural productivity and agricultural production. There were large expenditures incurred on irrigation projects, for instance, and on attempts to introduce modernisation of seed-fertilizer technologies in the rural areas as part of the much heralded green revolution. In more recent years, however, there has been a realisation of the shortcomings of this sectoral approach with the primary emphasis on agricultural productivity. Rural development is now looked upon in national development plans as a broader and wider package. As the World Bank's policy paper on rural development, published in February 1975, put it "rural development is a strategy designed to improve the economic and social conditions of a specific group of people, namely, the rural poor . . . It is concerned with the modernisation and monetisation of rural society and its transition from traditional isolation to integration with the more modern sectors of the national economy". The countries of Asia, with the strong backing of international bodies like the World Bank, are moving away from their almost total preoccupation with the GNP and economic growth, and are now giving much greater attention to the manner in which the benefits of growth are distributed. Integrated rural development as currently interpreted therefore is a very wide and broad concept. It includes not only increased productivity, particularly agricultural productivity, but also increased and more diversified rural employment to generate higher incomes for the rural poor as well as the provision of minimum acceptable standards of shelter, education and health in the rural areas. A national programme of rural development must therefore include a mix of different activities including projects to raise agricultural output, create new employment, improve health and education, expand communication and improve housing.

In a seminar organised by ACDA in May 1975, we attempted to take a wide ranging look at the general approach - the overall package of policies and programmes - which different Asian countries had adopted in attempting to tackle the problems of rural development over the last two decades. In a series of country studies which were prepared for the seminar, and in a number of other technical papers, we tried to evaluate the effects which different policies and programmes have had on the rural population in different Asian countries. These studies were presented to a group of selected senior officials connected with the problems of rural development. The present volume is a record of the proceedings of this seminar and include summaries of the research studies and summarised versions of the statements made by the participants from different countries at the seminar. The documents are being published for wider circulation in the hope that they would be of interest to government officials and other professionals who are dealing with various aspects of rural development. The country studies and technical papers prepared for the seminar have already been published in full and circulated to governments and other agencies dealing with rural development.

INTRODUCTION

INAYATULLAH
Development Administration Expert, ACDA

One crucial element of the role of the Asian Centre for Development Administration is to promote comparative research on the relative effectiveness of different strategies of development in Asia and serve as a forum for analysis and exchange of development experiences. For this purpose, as part of its work programme of the first two years, it engaged in a comparative study of approaches to rural development in Asia and organised a ten-day seminar to discuss the findings of this project.

The need for such a study arose from various policies and analytical concerns. At policy level, recently there has emerged a vigorous interest in rural development both as a strategy of accelerating development as well as of distribution of its benefits more equitably and evenly among poor regions and poor classes. This resurgence of interest in rural development is partly the consequence of disillusionment with the traditional strategy of rural development followed in the fifties and sixties which sought to achieve economic growth through industrialization and urbanization expecting that the twin processes would reduce dependence on agriculture as well as increase its marginal productivity through its technical modernization. Apparently this strategy did not produce the expected result, as neither industrialization created more employment opportunities, nor dependence on agriculture significantly decreased. Instead, as a consequence of this strategy, the poor sections of the rural population were left out of the process of development.

At the analytical level, there are no adequate scientific bases to determine the extent of rural development in various Asian countries, no comparative analysis of the causes of the failure of the traditional strategy employed in different countries. As a result there is no systematic guidance from the analysis of past experiences for formulating strategies or approaches to rural development. The debate about effectiveness of various approaches or lack of it has generally remained at the ideological level.

The study of "Approaches to Rural Development" was undertaken to assess the pace of rural development in several Asian countries with determinate measures of rural development and to identify significant rural development strategies and policies in terms of their differential impact on pace of rural development. This, it was hoped would facilitate the task of choosing appropriate models of rural development by an Asian country and learning from each other's experiences. However, the study was not intended to prescribe policies or practical mea-

sures to countries for adoption, nor to advocate any particular rural development approach as every country, it was assumed, needs to evolve its own approach in the light of its own values, goals, political framework and past experiences

Scope of Study

To facilitate a meaningful comparison of various approaches to rural development adopted in various Asian countries and assess their relative impact on rural development, a research design was evolved by a study group consisting of nine researchers in a meeting held in August, 1974. The study group proposed that the scope of study should be as follows:

a) The determination of the extent and quality of changes in the rural areas;

b) The explanation and intepretation of these changes in terms of the government policies of the country concerned. Where the changes in rural areas are significantly due to other causes, these could also be analysed;

c) Understanding the process of formulation of policies. It was agreed that each scholar would determine for himself or herself the extent to which this aspect of the study would be dealt with.

The indicators of rural development could be developed out of a concept of development in general and rural development in particular. For the guidance of the study rural development was defined as a process which leads to a continuous rise in the capacity of rural people to control their environment, accompanied by a wider distribution of benefits resulting from such a control. This definition reflects basically three concerns about rural development generally shared by international organisations, most Asian governments and experts on rural development. First, it suggests that rural development should be viewed as a process raising the capacity of rural people to control their environment which is more than agricultural development or economic development of rural areas. Such a conception encompasses simultaneous development in all aspects of rural life; social, economic, cultural and political. Secondly, rural development as a process should continuously raise the capacity of rural people to affect their total environment enabling them to become initiators and controllers of change in their environment rather than merely the passive objects of external manipulation and control. Thirdly, the concept reflects the increasing concern with the wider distribution of benefits accruing from technical developments and the participation of the under-privileged and weaker sections of the rural population in the process of development.

These three aspects of rural development were translated into seven indicators of rural development which are as follows:

1) Agricultural productivity;

2) Rural employment;

3) The distribution of income and wealth within different rural groups and classes as well as between rural and urban areas;

4) The extent of welfare services available to various classes in the rural areas as well as relative to the urban areas;

5) The extent of effective participation of rural people in decisions at national and local levels which affect them;

6) The degree of social mobility within different classes and ethnic groups in rural areas;

7) The changes in values, beliefs and attitudes leading to a rise in the capacity of rural people to control their environment.

Where development was initiated and implemented as a planned programme of change, the rural development policies of governments played a crucial role in determining the direction and pace of rural development. To compare and evaluate the impact of these policies, it is necessary to identify whether there existed in Asian countries rural development policies reflecting concrete concern with systematically promoting a particular type of development in rural areas; furthermore, whether the rural development policies followed were internally consistent, oriented to the achievement of broad objectives or whether they were ad hoc assemblages of disparate operational policies; whether such policies were systematically oriented to any given overall objective or whether they were pragmatic adaptations to various pressures and changes. Comparison of policies also require a development of typologies of these policies. The conceptual framework which guided the studies prepared for this Seminar suggested three distinct rural development or policy models based on the differences in the primary goals of rural development, differences in the diagnosis of the causes of rural underdevelopment, differences in major programmes and instruments of action deployed, and the intended beneficiaries or target groups.

a) Policies oriented to increase agricultural productivity without seeking any structural changes in the form of land ownership and the unit of production;

b) Policies seeking to raise rural solidarity through limited changes in property relations and through creation of institutions such as cooperatives and institutions for village self-government;

c) Policies seeking to radically transform the social structure and property relations in the rural community in order to eliminate economic social and political inequalities. Another classification of rural development strategies suggested is the "technocratic", "reformist" and "radical" strategy.[1]

As rural development policies and strategies are developed and implemented in a given environment its effects need to be taken into account to assess their impact. For analytical purposes of the study, the policy environment for rural development was broken down into three categories:

a) The international environment including the technical assistance programmes from foreign countries, which give a particular ideological and technical bias to rural development policies, the terms of trade especially in agricultural products, and in certain cases the influence of foreign companies which own plantations and thus affect the peasant economy in a country.

b) The national environment, which includes the economic and political basis of the central political elite, their ideological orientation, the administrative and mobilizational capacity of the countries, etc. It also includes the political and constitutional structures in which policies of rural development are determined, formulated and implemented.

c) The local environment which includes the social structure of the rural community, the patterns of land ownership, and nature of the rural community's relationship with society as a whole, etc. The main issue to be examined here is how these and other factors determine the type of rural development strategies and policies followed in a country.

Implementation of Rural Development Policies

Policies of rural development produce results to the extent they become effective through their implementation. The extent of their implementation would be determined by the degree to which appropriate administrative structures

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1 Keith Griffin, "Rural Development: The Policy Options", Edgar O. Edwards, ed., Employment in Developing Nations (New York, Columbia University Press, 1974), p. 181.

and instruments for the mobilization of the rural population exist to translate these intentions into a reality. On the assumption that the better organised the potential beneficiaries or target groups of a policy are, the greater the likelihood of the implementation of a given policy, it could be hypothesized that the extent of implementation of solidarity oriented or egalitarian rural development policies would be related to the extent to which the rural middle and lower classes are organised and mobilized. Such mobilization could occur through a particular structuring of the four elements of the administration and political structure, that is, the field organisation of ministries, departments and public corporations concerned with rural development; the functional and voluntary groups; the rural local government institutions; and the political parties. On the basis of how these various elements are structured in various countries, a typology of administrative and political structure was devised and used in studying the impact of policies. Besides the two variables of policy and implementation, the social structure of rural community, ecological and demographic variation were also to be taken into account.

By April, 1975, most of the country studies as well as comparative analytical studies became available. [1] The summaries of these studies appear in Part II. To discuss the findings of these studies as well as share them with the senior officials of selected Asian governments concerned with making of rural development policies, a ten-day seminar was organised from May 26 to June 3, 1975.

Objectives and Methodology of Seminar

The main objectives of the Seminar were as follows:

1) An analytical and empirical assessment of the successes and failures of past policies and programmes of rural development;

2) The exchange of ideas between senior administrators and researchers on past experiences in rural development in order to delineate alternative strategies of rural development oriented toward safeguarding the interest of and promoting the economic betterment of the rural poor;

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1 These studies have been compiled into three volumes entitled "Approaches to Rural Development in Asia". A revised and shorter version of these studies would be included in a book currently under preparation.

3) Formulation of specific recommendations on key issues for the purpose of accelerating the pace of rural development in Asia.

In order to facilitate effective presentation of the research findings as well as to focus seminar discussions on issues emerging from research studies a paper was prepared in advance which detailed the main themes to be discussed. The paper identified the following four themes:

a) The concept of rural development, its measurement, and its place in overall national development;

b) The identification of major rural development policies and programmes pursued by Asian countries and an assessment of their impact on rural areas in the light of a set of indicators of rural development;

c) The implementation of rural development policies; and

d) The acceleration of rural development in Asia.

Under each theme a team of researchers presented their findings to the Seminar which were then discussed by the Seminar in a plenary session. This was followed by presentation of rural development experiences of three countries by the administrators coming from these countries. Once the basic issues under each theme were identified, the Seminar split up into four groups to discuss these issues and make its recommendations. This procedure was repeated for all the four themes.

Finally, the Seminar appointed a drafting Committee consiting of five participants in the Seminar which summarized the findings of the Seminar as well as the agreed conclusions and recommendations. Before concluding, the Seminar made a visit to the Muda Irrigation Project in Malaysia arranged by the Government of Malaysia.

The present volume consists of three parts. The first part summarises the discussions in the Seminar on the four themes. This summary is not a verbatim record and does not necessarily follow the sequence in which the issues were raised and debated. Wherever necessary, all observations pertinent to an issue have been grouped together to give coherence to presentation. The second part consists of the summaries of the studies prepared mostly by the authors themselves. They are being included in this volume for the benefit of those readers who may not have access to the full length studies or cannot spare time to read them in original form.

The third part consists of the studies prepared by some of the administrators and presented to the Seminar. They are being included, though in shorter and edited form, in order that the perspective of administrators dealing with rural development could receive adequate appreciation.

PART I

Rural Development in Asia: A Summary of Discussions and Reports

By

G. Shabbir Cheema

General Rapporteur of the Seminar

A SUMMARY OF DISCUSSIONS AND REPORTS

After an opening statement by Mr. Mahadeva, the Director of ACDA,[1] the Seminar was inaugurated by the Deputy Minister for Agriculture and Rural Development of the Government of Malaysia, Mr. Mokhtar bin Haji Hashim. Analysing the effects of the past strategies of rural development, the Deputy Minister said that "inspite of considerable resources that have been expended by many governments for the benefits of those who live in rural areas, the poor continue to remain poor while there exists an ever widening gap between the "haves" and "have-nots" which at times threatens the political and economic stability of many nations". Failure of these strategies, he said, was due to the following reasons:

1) They did not ensure that the increases in national income reached the poor;

2) They did not aim at reducing poverty, inequalities, and unemployment directly through integrated and comprehensive methodology.

Development of a new and effective strategy of rural development would require avoiding several past mistakes and making new commitments. First, it would require not "to proceed on a random project-by-project basis without first establishing an overall development strategy and then selecting projects that mutually support and interlock with one another within an over-all plan". Second, it would need "a strong will to succeed from those who plan and implement policies and above all a genuine concern and respect for the clientele - the poor and the needy". Third, this would require that the administrative and managerial capabilities of governments are continuously upgraded "at times through radical surgery".

The Deputy Minister appealed to the participants in the Seminar to accept the challenge of developing new ideas about effective ways of achieving rural development - ideas which are "more than common generalisations or theoretical formulations" and which lend themselves to implementation.[2]

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1 A shorter version of this opening statement appears as a Foreword to this volume.

2 The full text of the speech appears in Appendix I.

THEME I

The Concept of Rural Development, Its Measurement, and Its Place in Over-all National Development

Presentations of Research Findings

Under this theme, four issues were discussed:

(1) the place of rural development in national development strategy;

(2) the development of an adequate concept of rural development incorporating various aspects of rural life;

(3) the delineation of specific indicators for accurately measuring rural development in quantitative terms; and

(4) the extent of rural development which occurred in Asia during the past two decades as measured against the proposed indicators.

Introducing the first theme, a researcher [1] observed that when Asian countries chose their development strategies after the Second World War, two models of development were available to them from the already developed nations; the capitalist model prevailing in the United States and Western Europe, and the socialist model represented by the Soviet Union. Both stressed the importance of speedy industrialization and urbanization assuming that rural development would occur as a by-product of these processes. They differed only with respect to the degree of central direction of the economy and the extent to which private profit was to serve as a stimulus for increased economic activity. Most Asian countries adopted the capitalist approach to rural development with such marginal modifications as planned action in achieving class harmony and the resolution of conflict in rural communities, the "modernization" of the rural populace's attitudes and beliefs, the creation of democratic leadership and institutions at the village level, the diffusion of new technology to raise agricultural output, and the provision of social welfare amenities. Only minor changes were sought in the power structure and property relations in the rural areas. This transposition of a marginally modified capitalist model did not stimulate substantial rural development in most of the Asian countries which adopted this model.

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1 The term "researcher" is used for the members of the Research Team organised by ACDA to study "Approaches to Rural Development in Asia" as well as the resource persons especially invited to participate in the Seminar. The term "administrator" is used for the officials of Asian Governments who participated in the Seminar.

The socialist model was adopted in Asia by the People's Republic of China; however it was substantially modified by the Chinese after initial experimentation. It de-emphasized this model's original stress on large scale industrialization and urbanization, sought to create intermediate level of industry and technology, reduced the central direction of the development process and decentralised decision-making at the local level. It attempted to create relatively self-sufficient local units of production and consumption. Together with other factors this substantial modification of a traditional socialist model enabled China to make what may be called a breakthrough in rural development.

The researcher added that a quarter century after World War II, a new model of rural development was emerging in Asia which incorporated different elements of the two models as reflected in the concept of "integrated rural development". The new concept has a strong egalitarian bias; it emphasizes significant changes in the structure of land ownership in rural areas and in the political and administrative institutional framework at the grassroots. He concluded that this new concept of rural development has emerged, partly due to:

a) an increasing interest by international agencies in the elimination of poverty;

b) the failure of the capitalist-urbanization-industrialization model in most countries; and

c) pressures from below on the national elite as a result of the increased political mobilization of the peasantry.

An administrator argued that it was not the lack of policy emphasis or its clear articulation which accounted for the inadequate pace of rural development, but rather the fact that rural development was an extremely complex task, much more intricate than the development of industries involving a large number of people spread over a vast area, a situation making the implementation of policies and programmes very difficult. He agreed that previous strategies of rural development in Asia did not direct sufficient attention to the rural poor, the overwhelming task formerly being a speedy increase in agricultural production. However, the emphasis has now changed to eradication of poverty as with the advent of the Green Revolution increased agricultural production has not benefitted the poor.

Another researcher described seven indicators of rural development against which the extent of rural development was measured by the Research Team. The indicators were: changes in agricultural productivity per hectare and agricultural production; changes in the level of employment; changes in distribution of income; changes in distribution of power and influence, and participa-

tion in decision-making; welfare indicators including changes in literacy, level of schooling, health and housing, the extent of rural electrification and rural roads, and the level of nutrition; changes in social mobility; and changes in values, beliefs and attitudes. He suggested that a distinction should be made between "indicators" and "descriptors" of rural development. The indicators quantify a phenomenon and can be used for its measurement and comparison in various settings, while the latter describe the setting and the environment in which the indicators "operate". He contended that the extent to which different types of physical and mechanical "energy" were used, and the "complexity of organizations" were better indicators of rural development as they could be more universally applied than some of the indicators which had been used by the research team.

Another researcher pointed out that it would be difficult to give weights to these indicators and quantify some of them as would be the case with changes in the distribution of power and participation in decision-making. It was added that the list of indicators used by the team was not exhaustive as some significant indicators, such as per capita consumption, declines in the rate of population growth, and changes in the structure of land ownership within the rural community had not been included.

Besides, the national measures of rural development were not accurate indicators of differential change in rural areas as they were quantitative averages. The acid test of rural development in the current context was the level of consumption in the lowest dociles. Some members of the research team defended the use of seven indicators saying that developing accurate measures of development and assigning them weights was a difficult methodological problem. The only feasible strategy available to the Study Team was to start with a set of rough indicators, test their utility through cross-national empirical research, and modify and refine them in the process.

Three researchers assessed the pace of rural development in India, Indonesia and Malaysia in the light of the above-mentioned seven indicators. In India, it was observed that the pace of rural development has been less than satisfactory because rural institutions which were to mobilize the rural communities did not take deep root; caste continued to determine political behaviour in rural areas; government efforts to end the exploitation of the rural poor met with only partial success; and the implementation of land reforms was unsatisfactory.

Rural development in Indonesia, it was observed, can be divided into two phases: the first phase between 1950-1966 was marked by political and economic instability and the consequent general stagnation in both agricultural productivity and rural infrastructure. During the second phase (1968-1974), significant efforts were made to increase rice production, create rural infrastructure and provide social services. However, in this production-oriented phase of rural development, small farmers in low income groups and within the rural community did

not significantly benefit from these changes as they could not use the high yielding rice varieties. Only marginal change took place in equalizing income and reducing unemployment in rural areas during this phase. The income of the farming population declined relative to the overall price index during the first plan period. It was also observed that during the first period there was more emphasis on the political aspects of rural development, while during the second period the focus shifted to the economic aspects and bureaucracy was used as the main instrument for implementing policies and programmes of rural development. Thus, participatory institutions at the local level (local government and political parties for example) remained inactive.

The rate of increase in Malaysia's agricultural production during the two decades following the independence of the country, was described as spectacular. New land was developed for resettlement. However, changes in peasant productivity were not substantial. The institutional framework at the grassroots proved inadequate in motivating small farmers to adopt high productivity techniques. Income inequalities within the rural community grew. Furthermore, rural unemployment increased and there was no significant reduction in rural underemployment.

In the light of the aforementioned seven indicators, a researcher examined the pace of rural development in selected countries of the ESCAP region during the First United Nations Development Decade (1960-1970).

(1) It was noted that the countries in the region had, with varying degrees, raised their agricultural production, the production of principal crops and yield per hectare. However, increases in population reduced the impact of these gains. In addition, this increase in production, a consequence of the "Green Revolution" had social, political and economic costs, the widening of disparities within the rural community and increases in rural unemployment and labour displacement, for example.

2) It was argued that overall unemployment in the region had increased, with a corresponding increase in rural unemployment. In most countries, rural underemployment was high.

3) It was suggested that the maldistribution of income in India, Malaysia, and the Philippines had increased while only in Sri Lanka did it decrease. Furthermore, changes in the structure of land ownership inequalities in the region were marginal.

4) The participation of the local political leaders both in the developmental and political process had increased without a corresponding increase in the participation of the common man and the rural poor in the local decision-making process.

5) It was noted that there had been average yearly increases in the region in the number of hospital beds, the number of physicians, and growth rates in transportation.

6) Despite geographical mobility among the rural populace, changes in overall social mobility in the rural areas of the region were still minimal.

7) It was noted that changes in the values and attitudes of the rural leaders had indeed occurred. The average villager was now more oriented to change, economic development and innovations. However, the belief system of the rural poor had not been vitally affected by the environment.

An administrator observed that assessment of rural development in the region on the basis of the above-mentioned seven indicators was not appropriate since during the past two decades in most countries of the region, rural development was considered to consist of agricultural production and the provision of infrastructure. A researcher replied that the accomplishment of a goal should also be assessed in terms of its cost and its impact on non-specified but desired goals. If the strategy of increasing agricultural production through diffusion of a new technology has led to the widening of income inequalities, has not promoted rural employment or strengthened the hold of the larger farmer on rural politics, it is vital to point this out in order to assess the cost and benefits of this strategy.

Summary of Group Discussions

There seemed to be a general agreement in the group on the following points:

1) As is evident from national policy pronouncements of several countries in the ESCAP region, rural development is receiving considerable importance in national development strategies. Rural development is increasingly considered a comprehensive strategy of affecting all aspects of rural life and not merely the economic aspects of it. While increasing agricultural productivity and providing infrastructure are the major goals of rural development, they should not over-ride the egalitarian goals.

2) The seven indicators of rural development proposed in the theme paper are adequate. However, they should be supplemented by other indicators such as ceiling on holdings, extent of tenancy, level of consumption of basic necessities, decline in the rate of population growth, and indicators relating to the welfare of rural women.

3) The past performance of the countries in the ESCAP region on indicators of agricultural production and social welfare was quite satisfactory. However, on indicators such as income distribution, participation of the people in the local and national decision-making process, employment, status mobility, and values and attitudes, the pace of change was not as significant. Also there were variations between countries on each indicator.

Presentations of Country Experiences

Three administrators from Pakistan, Korea and Sri Lanka reviewed past and present policies and programmes of rural development in their countries. The administrators from Pakistan said that the present rural development policies of Pakistan were oriented toward social justice for the rural population. For this purpose the government has initiated three programmes, i.e. Integrated Rural Development Program (IRDP), People's Works Program (PWP), and Agroville Program The first programme attempts to provide agricultural input to medium and small farmers through the coordinated efforts of all nation-building departments at the Markaz level. [1] The second is primarily concerned with intensive projects in the fields of housing, drainage, etc. The Agroville program is designed to improve the conditions of small towns surrounded by rural areas so as to relieve population pressure on big cities.

A government official of the Republic of Korea observed that the place of rural development in national development has changed over the years. During the period from 1949-59, rural development in the country received the highest priority. Land reforms were introduced and welfare facilities were provided. During the early sixties greater stress on economic development through industrialization led to the de-emphasis of rural development. The goals of rural development at this time were to increase food production through greater use of inputs such as fertilizer, improved farm technology and the transfer of rural labour to the industrial sector. In the late 1960s another shift in government policy occurred in response to the widening gap between rural and urban incomes, and rural development regained its former priority in reducing these disparities.

An official of the government of Sri Lanka pointed out that the implementation of rural development in his country was obstructed by a lack of coordination between the various departments responsible for performing rural development functions. Furthermore, there was a lack of coordination between the Village Development Committees and the central government's rural development programs. However, she noted that inspite of these problems the implementation of land reforms was being taken seriously and that significant changes were occurring in the values and attitudes of the rural people.

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1 A new administrative unit recently created in certain areas below the tehsil and above the village community.

THEME II

Policies of Rural Development

Under this theme, the main issues were the identification of a set of rural development policies followed in different Asian countries, assesament of their impact, and the factors which go into the determination of these policies. The original research design has suggested three types of rural development policies:

a) Those which are oriented towards increasing agricultural productivity through the diffusion of new technology and other inputs;

b) Those which tend to achieve rural development through the creation of solidarity and cooperation at the village level represented by the community development approach to rural development;

c) Those which seek rural development by removing inequalities in the rural communities through institutional changes.

A researcher examined the main features and causes of failure of the community development or solidarity-oriented approach to rural modernization. This approach, it was pointed out, had been adopted in the 1950s by at least six countries in the ESCAP region. According to this approach, there were three main causes of rural underdevelopment:

1) decline in the traditional cohesiveness of the rural community;

2) absence of strong village leadership; and

3) fatalism and traditionalism of the rural poor.

The community development approach suggested four measures for rural upliftment:

1) modernization of attitudes, beliefs and values held by the rural people;

2) creating new institutions such as cooperatives and local government;

3) inculcating self-reliance among villagers; and

4) raising agricultural productivity.

The community development approach, the researcher said, had failed to produce significant results. The causes of its failure were many, including:

1) The approach wrongly assumed that harmony between and the participation of various rural classes could be secured within the framework of an inegalitarian power structure;

2) Due to the failure of land reform programs, the rural power structure remained inegalitarian and oligarchic. Thus, many programs such as cooperatives could not succeed;

3) The concept of rural self-help was not practical. The capacity of the villager to mobilize resources within the existing framework was severely restricted.

4) It was wrongly assumed that local arms of the central buresucracy could be controlled by the people or could become responsible to them.

Attempts of various Asian countries to change the traditional agrarian structure were analysed by another researcher. He argued that land reform has two objectives:

a) to eliminate exploitation; and

b) to facilitate grassroots participation.

During the past two decades, he said, two broad approaches to land tenure reforms were adopted:

1) a regulatory approach which sought to mitigate some of the exploitative features; and

2) the abolition approach which was designed to convert tenants into land owners.

The former approach had been ineffective. The latter, however, produced comparatively better results. The implementation of land reforms in Asia was seriously impaired due to the landlord's economic and political power, lack of political will among the national ruling elite, and the failure of tenants and landless labourers to organise. He observed that available data indicated higher yields on small farms as compared to those on medium and large farms. In view of current agrarian problems, he suggested two alternative approaches:

a) cooperativisation of agriculture; and

b) family farming.

He concluded that if a significant change was to occur through a peaceful process, it was indispensable that small farmers and landless labourers organise and attempt to safeguard their interests.

Considerable discussion took place on the impact of land reforms on agricultural production. It was argued that in view of the acute shortage of food supply per capita in some countries in the region, ways should be found through which the negative impact of land reform programs can be minimized. One point of view expressed was that declines in production due to land reforms were not empirically verified. It was added that given the same quantity of agricultural input, small farms could produce greater yields per hectare than big and medium farms. It was concluded that delays in the implementation of land policies could lead to uncertainties in the agricultural communities and thus affect investment/ agricultural production adversely. It was necessary therefore that the interval between the announcement of policies and their implementation should be reduced to a minimum

The experiences of Korea, Iran, the Philippines, Malaysia, and India regarding the impact of land reforms on productivity were reviewed by an administrator from each of these countries. In Korea, one of the participants observed, productivity had indeed declined as a result of land reforms. In Iran, it was noted, cooperatives contributed to the welfare of small farmers, thus facilitating the implementation of land reforms. In Malaysia, instead of land redistribution, new land was opened up, thus the problem of a decline in productivity never arose. However, past Malaysian experience has shown that there is now a greater need to provide more agricultural input to small farmers. The Indian experience demonstrated that there was no inherent danger to production by lowering the land ceiling as the productivity of small farms, given availability of inputs, was generally higher than in larger holdings. The Philippine experience, it was suggested, had been that unless input facilities were provided to small farmers after the introduction of land reforms, the impact of a ceiling on land ownership would be minimal.

To analyse the effects of a major productivity oriented programme, a researcher reviewed the impact of the "Green Revolution" on productivity, income distribution, and the agrarian structure. The impact of high yielding varieties, he argued, had been adverse to income distribution and, therefore, disparities within the rural communities had widened. Middle and big farmers exhibited greater responsiveness to the new technology and had been more frequent users of HYVs than small farmers. The productivity potential of HYVs depends upon a regular water supply and big doses of fertilizer. Furthermore, the "Green Revolution" had led to commercialized and impersonal tenancy arrangements, thus negatively affecting small tenants. On the basis of the Indian experience, however, he concluded that pessimism is uncalled for and that many negative implications of the "Green Revolution" could be eliminated by the development of varieties suitable for dry regions, the diversification of agriculture, and institutional reforms at the grassroots.

To evaluate the impact of a radically egalitarian policy of rural development, a researcher analysed the experiences of the People's Republic of China in the field of rural development. After taking control of mainland China, the government of the People's Republic of China introduced land reforms aimed at freeing the creative and productive power of the masses from the feudal structure, leading to a massive redistribution of power and opportunities. First, land was distributed to all and given in private ownership. To create a basis for sustained self-reliant national development and industrialization, a modern mechanized agriculture was considered necessary. To bring this about large productive units were created through a gradual process of transformation, leading from the creation of mutual aid teams to primary and advanced cooperatives. Then in 1958 communes were set up as integrated multi-purpose, self-managed and self-governed communities for agricultural and industrial production, social development, administration and self-defence. The Cultural Revolution was a movement to prevent the rise of a new dominant class and to ensure unity between the Communist Party, government and the people. It served to further release the people's creative and productive power through the creation of new values which would support the growth of society towards equality and solidarity.

The Chinese experience, the researcher said, demonstrated that social transformation must precede or accompany technological modernization. Otherwise, polarization and growing inequality are inevitable and a large part of the population is excluded from productive activities. As a result, their creative and productive power remains unutilized and they will inevitably be looked upon by the privileged groups as a liability to the country. The People's Republic of China had instituted several mechanisms of correcting mistakes and learning from them through promotion of public criticism, self-criticism and mutual criticism. Extreme demands for premature equalization which would have jeopardized advance were brought under control.

The researcher emphasized that the development experience of a country cannot be considered "transferable", as each historical process is unique. Yet other countries still might learn the following from the Chinese experience:

1) Development invariably implies conflict and sacrifice which if handled constructively could serve to advance it. This cannot happen, unless major monopolies and privileges are broken up, in as far as these impede personal and collective self-development by the majority of the population.

2) Self-reliance is at the heart of national and human development. This implies that peoples must rely primarily on their own resources and use them for their own benefit and not permit their external exploitation.

3) Equality must be pursued in a way which enhances the creativity and productivity of the majority of the people, so that they are encouraged to develop their potentialities in an all round way, and become politically, philosophically, scientifically and culturally active human beings.

4) Governments can only rely on and promote the active wholehearted cooperation of the population if they truly serve them, their interests, well-being and welfare.

5) Development requires a transformation of society as well as of people. Both are a condition for each other's development.

6) National development requires central planning but central planning can only be responsive to people's changing needs and aspirations if it is rooted in vigorous democratic practice and control on leadership and government. Both central planning and democracy are a condition for each other's development.

A researcher pointed out that for the formulation of effective rural development policies, two measures must be undertaken. First, there is an urgent need to institute an effective system of feedback in the rural development process. It was noted that one cannot entirely rely on the bureaucracy for gathering the information and data to be used in the process of policy formulation. Secondly, the present structure and patterns of resource mobilization, resource flows, etc. should be changed in such a way that a greater part of the resources generated in the rural areas should remain for reinvestment within the rural areas, instead of being siphoned off to the urban sector, and later, somewhat grudgingly, pumped back to the rural areas. The present practice ties the rural areas and their development far too much to the metropolitan private sector and to centralized bureaucracies.

Analysing the effect of external environment a researcher observed that, while, by and large, foreign aid has been well intended in most countries, at least by those who designed the actual programs and budgets, it has often inadvertently directed attention away from the real nature of the problem. Family planning, he added, is a good example of this; it has tended to focus attention on expanding the use of contraceptives and thus the very important economic and social reinforcers of high birth rates have received inadequate attention.

Group Discussions

The four key issues under the second theme were discussed by the groups and the rapporteur of each of the four groups then presented the conclusions reached during discussion. Group A felt that in almost every country repre-

sented in the Seminar there had been reasonably clearly articulated policies of rural development. However, it was difficult to ascertain whether these policies had guided all ministries. Groups B and C concurred that in general the broad policy goals were diluted or lost sight of at the level of implementation and programming.

On the issue of whether specific primary goals of rural development policies could be identified, one group said that in the past, most policies of rural development had a productivity-orientation, but that in every country there had been some emphasis on solidarity and egalitarian goals. It was felt by the group that all the aforementioned elements should be incorporated in the national policies and approaches to rural development. A second group argued that the general approach to rural development in the ESCAP region had been a mixture of productivity, solidarity and equality goals. A third group argued that policy models were only "ideal types" and that reality consisted of an endless variety of mixtures of the three types. A fourth group argued that the aforementioned three policy goals were not mutually exclusive but that policy models of a country could be differentiated on the basis of the extent of priority given to each of the competing goals of rural development. In general, all four groups agreed that goals of social justice have received lower priority in the past, a situation which needs to be rectified. One group recommended the widening of the "base of productivity", providing small farmers with greater agricultural input, and exerting special efforts in safeguarding the economic interests of the rural poor. Further, the group felt that there was a need to adopt some degree of selectivity in resource allocation in relation to area and programs, and that an area approach was a necessity which should increasingly find a place of significance vis-a-vis the sectoral approach. Three of the four groups agreed that assessing the impact of rural development policies on the basis of the seven indicators of rural development posed difficult methodological problems. Frequently, precise data was not available. In most cases, it is only recently that well articulated policies seeking both productivity and egalitarian goals have been introduced. At this stage, it would be difficult, the group argued, to assess the impact of these policies on the major dimensions of rural development. A fourth group added that the policies of rural development followed in various countries had a high level of impact, noticeable in terms of agricultural productivity, rural employment, and social welfare services. However, these policies had had a lower level of impact on the distribution of income and wealth within the rural sector. Finally, in the discussion of factors which influence the adoption of certain policies, the group identified:

a) competition between urban and rural sectors for the use of scarce resources and for the benefits of development;

b) the dynamics of social and political structures within the society; and

c) any crisis situation arising in a country, food shortages, for example.

Presentation of Country Experiences

The rural development experiences of India, Indonesia and Thailand were reviewed by an administrator from each of these countries. In India, it was pointed out that administrative structures led to duality in management control by the administrative and technical staff. Due to "groupism" and conflicts on the "political front", demoralization took place among the extension staff. The rural poor, including tenants and small farmers could not benefit from the facilities provided by the Community Development Programs. Consequently, special administrative structures for the benefit of small farmers were created while Community Development Programs continued to exist. Recent studies have shown that the productivity of small farmers increased as a consequence. It was concluded that "Area Programs" were generally handled by administrators and that such programs have political implications as they increase conflict among the political elite.

An administrator from Indonesia said that the country's policies of rural development during the "New Order" were more pragmatic and laid greater emphasis on the economic aspects of rural development than the policies adhered to under the "Old Order". He observed that objectives of rural development as delineated in the National Five Year Plan include:

1) development of village potential;
2) creation of home industry;
3) improvement of socio-cultural life in the village; and
4) improvement in village administration and institutions.

One of the administrators described the operational process of Accelerated Rural Development (ARD) Growth Area Development in Thailand. It was noted that the objectives of the ARD Growth Area included:

1) building an economic base at Tambon and village levels by increasing production, marketing, etc.;
2) integrating development activities in giving help to the villagers; and
3) using development activities to mobilize local people in order to build national security.

It was concluded that up to 1972 the focus of the program was on the provision of infrastructure facilities. Now, however, its objectives are being further broadened.

THEME III

Implementation of Rural Development Policies

Under this theme, three issues were presented to the Seminar for discussion:

1) Have the administrative and legal structures and instruments of mobilization in various Asian countries been adequate for the implementation of their rural development policies, particularly those policies which sought the accomplishment of egalitarian goals?

2) In what way could the relationship between rural local government institutions, functional and voluntary groups, the field administration and political parties be restructured to encourage greater participation from the rural people and simultaneously achieve the goals of higher productivity and greater sharing of benefits?

3) How much autonomy through decentralization should the rural local government institutions be granted to enable greater participation by the rural poor in the process of rural development?

One researcher examined the political and administrative impediments to the successful implementation of egalitarian rural development policies at the local level. On the basis of his data from India, he argued that the mere formulation of an egalitarian policy at the national level would not safeguard the interests of the rural poor in the absence of effective instruments for their implementation or organized pressures from the beneficiaries. He noted that the failure of government efforts in India to reach the poor was due to the vested interests of neo-traditional rural leadership, the linkage of this rural leadership with state and national level leadership, lack of direction and control from the Centre at the implementation stage, and the emergence of a new class of leaders in the national legislature who identify with the rural elite and are dependent upon them for winning elections. Reliance on administrative structures for implementing egalitarian policies did not, and would not, produce significant results. The only alternative, he concluded, was to facilitate the organization of the rural poor and create conditions conducive to their political mobilization.

An administrator argued that bureaucracy should not be considered responsible for past failures in the implementation of rural development. Bureaucracy is also motivated to work for the welfare of the masses and has an educational role to perform. Instead of blaming bureaucracy, he suggested that efforts

should be directed towards effecting significant changes in national policies so that the rural poor can derive benefits from the fruits of development. Bureaucracy could share the blame only for defects in the implementation of rural development policies but not for the lack of egalitarian policies.

Speaking on the significance of popular participation in the process of rural development, a researcher pointed out that participation at the grassroots must be "meaningful" for the common man. It was also argued that in view of the conflicting interests in rural areas, mass participation might aggravate present conflicts as well as generate new ones which policy makers must be prepared to tolerate. Effective participation of small farmers and landless labourers would need a new and autonomous organisational structure.

Four historical stages in political participation in Asia were identified by one of the researchers:

1) Zero participation under earlier stages of colonialism;

2) Participation of the urban and rural elite between the First and Second World Wars;

3) Increasing participation of upper and middle classes after the independence of Asian countries; and

4) The present stage of increasing political awareness among peasants and the rural poor and demand for greater participation by them.

A researcher examined the role of peasant organisations in the process of rural development. He pointed out that peasant organisations perform the following tasks: identifying the goals of rural development, agitating for the achievement of identified goals, formulating action programmes, mobilizing resources for rural development, and organising the implementation of action programmes. The effectiveness of peasant organisations in performing the above tasks is dependent upon their level of organisational capability, rapport with politico-administrative decision-makers and support from the rural poor. He concluded that the above factors related to the effective performance of peasant organisations in a developing country are influenced by the "organisational genesis", the local power structure, the level of peasant awareness, and the policy environment in a country.

The role of rural local government in the process of rural development was discussed by a researcher. Four types of rural local governments were identified on the basis of the ideological rationale of a local government, the degree of

its autonomy, the level of popular participation, scope of functions, the administrative and financial capabilities, and the extent of politicization and bureaucratic responsiveness at the local level. On the basis of a comparative analysis of the performance of Pakistan's Basic Democracies, India's Panchayati Raj, and Chinese Communes, it was argued that there was a signficant relationship between the specific characteristics of a given rural local government and the degree of its effectiveness to perform specific tasks of rural development. Finally, it was suggested that for the purpose of accelerating the pace of rural development, persistent efforts should be made to:

1) enhance the administrative and financial capabilities of rural governments;

2) grant them greater opportunities for local planning and programme implementation;

3) politicize rural local bodies; and

4) change the environmental context of the local political system by, among other things, introducing land reforms and special programmes for the economic benefit of tenants and landless labourers.

It was argued by one researcher that political parties, in addition to peasant organisations and rural local government, can play a vital role in the process of rural transformation. The involvement of political parties in the local decision-making process facilitates the creation of political awareness among the rural people, their involvement in the developmental process, and the aggregation and communication of the needs and demands of the rural people.

A great deal of discussion took place on the meaning of participation and factors which facilitate the involvement of the common man in the local decision-making process. The general consensus among participants seemed to be that in order to be meaningful, participation of the rural populace should be sought in both the economic and political decisions of the community and in the national political process. Another broader agreement seemed to be that rural institutions should be structured in such a way that popular participation is facilitated. Some participants advocated that radical land reforms designed to alter the rural power structure should be implemented before meaningful participation by the rural poor can be accomplished.

A Malaysian administrator noted that the role of bureaucracy in the process of rural development in Malaysia had been different from many other countries in the region. Malaysian bureaucracy is committed to the betterment of the rural poor, and that there have been no significant conflicts between admini-

strators and politicians. The dilemma of Malaysian policy-makers had been to discover channels through which the common man could be encouraged to participate in the local decision-making process. He added that in rural areas the power base of political parties had been broadened, though the government had to be cautious so that over-politicization would not lead to subversive activities.

An administrator from Bangladesh pointed out that rural local leaders who were also the leaders of the local branches of the ruling political party have proved to be an effective instrument in the formation of rural cooperatives. In one district, these cooperatives played a vital role during a period of food shortages. On the basis of the Bangladesh experience he suggested that organisation of the rural poor should be for developmental rather than for political purposes.

An Indian administrator pointed out that the Indian government had introduced Panchayati Raj institutions, cooperatives, and special area programmes for the purpose of facilitating the participation of the rural populace in the developmental process. This has raised the level of people's participation in local decision-making processes.

Another Indian administrator argued on the basis of the Indian experience that without a "cohesive" political decision-making framework, bureaucracy at the grassroots could not perform its functions effectively. He pointed out that strong local governments do not necessarily facilitate development as in some states where local government institutions were very strong, the decisions taken there were sometimes administratively and financially unfeasible and unsound. He suggested that a multiplicity of parties was not conducive to the implementation of rural development programmes.

An administrator from the Republic of Korea argued that popular participation can be increased by leadership training and that political parties should not intrude in the local decision-making process. It was added that while a single dominant party could facilitate participation at the local level, a multiple party system within the context of a democratic framework tends to accelerate local conflicts.

Presentation of Country Experiences

Another administrator from Malaysia, reviewing his country's experience in rural development, said that taking both public and private sectors into consideration, investment in the rural sector is not very great. In the public sector however, the share allocated to rural development in Malaysia is quite significant. The objectives of rural development in Malaysia include opening up new land, new land settlements, community development, and increases in paddy produc-

tion. There are several organisations such as the Rubber Industry Smallholders Development Authority and the Federal Land Development Authority which are responsible for implementing governmental policies. He concluded that in Malaysia, increases in the price of rubber in the international market have led to an increase in the incomes of the already well off while others have remained poor.

Also examined by one of the administrators were the policies and programmes of rural development in the Philippines. He noted that the present regime has introduced land reforms. The government has attempted to encourage planning at the provincial level. In actual practice, however, planning takes place at the national level and implementation at the local level. The new constitution grants "autonomy" to local governments. Attempts are being made to develop the capabilities of local leadership. He said that the government is determined to remove political interference in the local decision-making process.

An administrator of the government of Afghanistan said that his government has introduced an Integrated Rural Development Programme which seeks to provide social welfare services and increase agricultural production. The new government has reorganised the Department of Rural Development and appointed committees in almost every village through which the people's needs and aspirations are communicated to higher decision-making structures, and in order to effectively perform the tasks of rural development, an inter-departmental coordination committee has been established.

THEME IV

Accelerating Rural Development

General Discussion of Salient Issue

While the earlier three themes described and analysed the pace of rural development in Asia, and identified the impediments which slowed it down, this theme was included to discuss the particular measures growing out of the earlier discussion which could accelerate rural development. Under this theme, three main issues were presented to the Seminar for discussion. These were:

1) What types of policies of rural development should be formulated so that the pace of rural development can be accelerated?

2) How should rural local government, field administration, and functional groups be structured so that the participation of the rural populace in the local decision-making process is enhanced and productivity-oriented and egalitarian-oriented policies successfully implemented?

3) What types of changes in the local, national and international environments are needed to remove the impediments to the formulation and successful implementation of the egalitarian policies of rural development?

Commenting on the future course of action which the developing countries of the ESCAP region should take in the field of rural development, one researcher argued that "planning for the masses" and introducing fundamental changes in institutional framework at the local level, resource mobilization and resource allocation should become the policy makers' main concern. The target groups of these future plans should be the bottom 40 percent of the rural social strata. The scope of the "Green Revolution" should be broadened to include crop diversification, finding fertilizer substitutes, and introducing new seeds for dry area. In the area of institutional changes, the introduction of land reform should be a central concern.

Another researcher added that planning for development should not only be for the masses but also by the masses and that this new mechanism of planning needs to be evolved and introduced. The rural development policies should clearly assign priorities among the competing goals of rural development. Effective "monitoring" and "early warning" systems should be introduced so that anticipatory action can be taken before a crisis situation arises. He further added that the most effective means to accomplish rural transformation was to raise re-

sources directly from the rural areas for the purpose of rural development and encourage cooperativisation of productive resources so that these resources and surplus labour can be utilized for the benefit of the rural poor.

An administrator argued that policy documents in most Asian countries are, in general, quite vague, which is one reason why they are not implemented. Therefore, an urgent need exists to spell out the goals sought by policy-makers and the cost they are willing to pay for the accomplishment of these goals. A researcher argued that as the Gandhian model seems to be a viable future alternative for the development of India, its applicability should be seriously explored.

A researcher argued that educational systems in the developing countries of the region need to be changed because they alienate the educated class from the rural areas and are not conducive to bridging the gap between urban and rural areas. It was suggested that the educational system provide students with the opportunity of living in the villages so that these future educated elite can better understand the problems of the rural populace.

A great deal of discussion took place on the subject of organising the rural poor. One point of view suggested that rural people were capable of organising themselves if they were free from the control of the bureaucracy which is certainly not an effective instrument for organising the rural poor for their own benefit. A second view argued that students, political parties, and rural leaders, can play a vital role in organising the rural poor. A third view argued that in organising the rural people, small farmers and landless labourers should not be ignored and left out and that the state should create conditions in rural areas which would enable the rural poor to organise themselves effectively. Such conditions would include effective freedom of association, the removal of social impediments to their association, and restructuring the institutional framework at the local level.

A researcher pointed out that in order to develop the "capacity" of the rural poor for participation and organisation, change agents have to come from outside the bureaucracy as in the case of Thailand where this task was being performed by students. One of the innovations of Thailand, it was added, is that fresh graduates are interning in rural areas and that they send their reports directly to the prime minister's office.

Several administrators argued that in most Asian countries there is no effective coordinating agency at the national level for implementing the programs of rural development. In certain cases, specific ministries and departments are unaware of what other agencies are doing in the same field. It was strongly felt that all activities of rural development should be under one administrative structure responsible for ensuring the successful implementation of programs through a coordination of efforts.

A Pakistani administrator said that in order to reach the rural poor, planning and program implementation must be decentralized and undertaken below the district level and that for this purpose, markaz or thana are the most appropriate administrative units. It was added that horizontal integration between line agencies of the government should be encouraged.

The Seminar also discussed the role of the international environment in determining the pace of rural development in Asia. One view was that the international order, including international organisations, cannot, and will not, do much for the plight of the rural poor in Asia and it is the efforts at the national level which are likely to effect the pace of rural development. Asian countries should de-emphasize foreign technical assistance and each country should learn to rely on its own resources.

A second view was that the resources of Asian rural areas were earlier drained through colonialism, and are currently, being exploited through the operation of international trade which is unfavourable for the primary producing countries. The financial aid provided to Asian countries by richer nations to improve the lot of the peasants is insignificant and inconsequential. Therefore, the Asian countries should join hands to improve their terms of trade through co-operative action. Another researcher pursuing this line of argument agreed that most previous international efforts to effect favourable terms of trade and pricing policies for the developing countries had failed. Therefore, efforts should now be directed toward regional cooperation in financial matters.

A third point of view expressed by a researcher was that efforts to change the terms of trade are unlikely to succeed as rich countries could either dispense with some of the resources of the poor countries or they could appropriate them through political manipulation. What was really needed was that the poor countries should withdraw from international trade dominated by the rich countries, diversify their economies, and trade more with one another.

A researcher argued that during the past two decades most developing countries in Asia had either followed foreign models blindly or had glorified their own past and refused to learn from each other's experiences. Both of these approaches were wrong. Among the policy-makers of each country there should be sufficient openness to learn from the successful experiences of others and to choose from the available alternatives. They should diagnose the problems of their own societies and suggest relevant policies and programs. It was also observed that since 1970 significant changes in the international economic and political order have taken place; therefore the developing countries in the region now have more opportunities to be creative and selective in choosing from among foreign models.

Presentation of Country Experiences

An administrator from Bangladesh said that the Government of Bangladesh has initiated an Integrated Rural Development Program which at present covers one third of all thanas in the country and is implemented through cooperatives. Analysing the problems in implementing rural development he mentioned three problems: First, the coverage of farm families in the cooperatives has been poor. Second, cooperatives have been dominated by larger farmers. Third, there are organisational defects, lack of coordination for example. He added that the proportion of landless labourers in his country had increased. He concluded his remarks by saying that the government was planning a new scheme under which there will be a cooperative for each village, and there would be greater participation of women in rural development.

An administrator from Iran examined the programs and policies of rural development in his country. He observed that the government was aware of the fact that the benefits of development had not reached all segments of the society, particularly the rural areas. There are three main programs through which the policies of the government are implemented. These are: the Farm Corporation Program, Production Cooperatives, and Rural Reconstruction. One of the most successful programs of the government has been the implementation of land reforms. He concluded that in order to facilitate decentralized implementation, attempts were being made to delegate powers to provincial governors and district councils.

Presenting the experience in India, an Indian administrator observed that the strategy for accelerating rural development should take note of the inherent tendency of uneven growth between regions and farm sizes due to uneven geographic base and resource distribution. According to him, this called for different strategies for the two ends of the spectrum in relation to investment, subsidy, research, extension service and other development inputs. The task was one of sustaining growth where it has started, as well as removing structural and technological constraints, and the active promotion of growth where it is sluggish.

The Summary of Group Discussion

The issues raised under the fourth theme were discussed in depth by each of the four groups. There seemed to be general agreement among groups on the following:

1) The welfare of the rural poor must form a central objective in development programs both at the national and local development levels;

2) In order to serve weaker segments of the rural community, special programs should be formulated;

3) There is a need for effective intervention from the centre of political power for the purpose of eliminating local resistance to the implementation of egalitarian policies;

4) Significant land reforms, including better land management, should be introduced. Furthermore, after the introduction of land reforms, supporting services should be provided to small farmers in order to enable them to raise the level of their productivity;

5) International pricing policies and terms of trade should be made favourable to the developing countries.

In addition to the aforementioned common recommendations made by all the four groups, Group A felt that the decision-making authority should be decentralized to middle levels in regard to program formulation and implementation. Furthermore, the activities of multi-national corporations should be controlled by an effective investment policy so that small/cottage industries are not negatively affected. Finally, the Group felt that rural industrialization should be labour intensive.

Group B added that greater attention should be paid to the mobilization of financial and human resources in the rural sector. The Group felt that while developing countries should increasingly strive for self-reliance, the international agencies will have to extend assistance to them within the framework of broad national policies and that these agencies should accord a high priority to programs aimed at improving the lot of the rural poor. Group C suggested that attempts should be made to make the educational system in developing countries more directly relevant to the needs of the country.

Group D argued that in order to facilitate participation at the grassroots, local governments should be politicized, be granted local autonomy, and that attempts should be made to enhance their financial and administrative capabilities. Furthermore, the Group was of the opinion that each country should encourage research on various aspects of rural development in order to enable them to experiment with innovative programs at the local level, and to give them a greater capacity for successfully learning from the experiences of other countries.

Recommendations of the Seminar

In order to prepare a list of recommendations and to identify follow-up action by ACDA, the Seminar participants appointed a Drafting Committee consisting of Dr. Mahfooz Ahmed, Delhi School of Economics, India (Convenor); Mr. Khorshed Alam, Secretary, Rural Development and Co-operatives, Ministry of Local Government, Rural Development and Co-operatives, Government of Bangladesh; Mr. A. Nosratollah Khatibi, Chief, Research Centre, Ministry of Cooperation and Rural Affairs, Government of Iran; Mr. Il Ho Jo, Senior Officer, Division SAEMAUL, Bureau of Agricultural Development, Ministry of Agriculture and Fisheries, Government of Republic of Korea; and Mr. Petipong Pungbun Na Ayudhya, Chief, Northern Development Centre, National Economic and Social Development Board, Thailand. The Drafting Committee presented its report to the Seminar which, after some modification, approved it. The major recommendations of this report are:

1) The rural poor must be the focus of development in the developing countries; national development policies need to be adjusted to this orientation with a demonstrated political will and commitment.

2) The structure of power needs to be re-organised, institutions restructured and streamlined in a manner that will remove social, economic, administrative and political impediments to the implementation of poverty focused policies, and the mobilization and participation of the poor for greater control on their environments. Efforts to achieve these will entail the following:

   (i) Appropriate land reforms including land management policies;

   (ii) Special programmes, where necessary, to serve the weaker sections of the rural community;

   (iii) Application of appropriate technology to maximise productivity;

   (iv) Mobilization of financial and human resources in and for the rural sector;

   (v) Strengthening administrative capacities and effectively integrating them into the planning and implementation process;

   (vi) Decentralization of decision making to middle and lower levels in respect of plan formulation and implementation;

   (vii) Development of local institutions that will allow policy formulation and participation from the bottom to the top;

(viii) Development of innovative organisations to suit new policies and programmes;

(ix) Increasing the accessibility and responsiveness of the bureaucracy and the political elite through relevant programmes and attitudinal changes;

(x) Creation of conditions for the emergence and development of peasant organisations and allowing politicization at the village level; and

(xi) Devising more relevant formal, non-formal and informal education systems, particularly to educate and train the poor so as to prepare and motivate them to attain the above objectives.

3) While the developing countries should increasingly strive for self-reliance, the international agencies must extend assistance within the framework of national policies. These agencies must accord high priority to programmes aimed at improving the conditions of the poor. There should be greater emphasis on regional cooperation. Furthermore, the international community must ensure that the developed countries play a substantive role in terms of substantial transfer of resources to the developing countries, restructuring of their trade and pricing policies and refashioning of technical assistance, to assist developing countries to achieve the implementation of poverty-focused policies.

4) Each country should encourage research on various aspects of rural development in order to enable them to experiment with innovative programmes at the local level and to successfully learn from the experiences of other countries.

Follow-Up Action by ACDA

The group discussed the role of ACDA in promoting rural development and the follow-up action arising out of the Seminar and made the following recommendations for the consideration of ACDA:

i) The studies presented to the Seminar should be widely circulated and therefore they should be published in the form of a book for which ACDA should take necessary steps immediately.

ii) The field of rural development is of extreme importance for a large number of developing countries in the region and therefore ACDA should continue its efforts in this field. Some of the areas in which further research is needed are:

   a) All aspects of mass participation;

   b) Administration of poverty focused projects and programmes;

   c) Administration of land reform programmes;

   d) Behavioral patterns of the bureaucracy in the process of rural development;

   e) Case studies of successful experiments in rural development.

iii) As significant research competence has now developed at ACDA on rural development, it may be fruitfully used for the benefit of various developing countries. The group therefore suggests that ACDA consider the organisation of country seminars on rural development in various countries involving participants from various levels within the country by using the research studies and other materials arising out of this Seminar.

PART II

Summaries of Research Studies

SOCIAL CHANGE IN RURAL INDIA

A. Aiyappan

This paper seeks to assess the impact of planned efforts during the last two decades to change Indian rural society. Social changes are difficult to observe and evaluate on a national scale due to the size of the country and its great diversity. The data on which the paper is based is from case or village studies made by social anthropologists. Though it lacks statistical precision and all-India coverage, the data gives a good feel for the situation and is therefore a useful qualitative supplement to the studies of economists.

Recent social change in the country has to be observed against the backdrop of its social structure, traditional culture and the beginnings of the modernization and westernization processes initiated by the British colonial government over the fifteen decades of their rule. Apart from unifying India politically, the British gave the country its modern administrative, educational and judicial systems, the rudiments of the democracy, an open system of recruitment for service under government, and the first introduction to modern science, technology, transport, etc. Equality in the eyes of the law and the dissociation of occupations from caste were qualitative changes tending to modernize the highly hierarchical and caste-bound Indian society.

Rural India lives in over half a million villages the bulk of which have a population of about 1000 - 1200 persons. Though in pre-British times these villages were fairly well integrated communities and had their traditional panchayats (councils), the impact of the British administration destroyed the solidarity of villages and also most of their handicrafts. One of the goals of the Indian planners was to revitalise these villages through community development programmes and through local self-government institutions. The planners however made a mistake in assuming that the villages had retained their basic cooperative structure which could be revived by the governmental bureaucracy. Studies of Indian villages conducted after the initiation of these programmes reveal the extreme ineptitude of the new village agencies as instruments of rural development. Elections and party politics have had an adverse effect on what little was left of village solidarity. Caste came to be used extensively for political mobilization. The rural leadership generally did not acquire the qualities and motivation that would mediate rapid development. The rural development officials also fell short of expectation and failed to enthuse people to participate fully in developmental efforts. In the majority of the villages studied, the old vested interests of the rich upper caste villagers persisted and they continued to exploit the poorer villagers. New institutions such as youth clubs, women's associations etc., had an anaemic existence.

One of the goals of the Indian Constitution is the removal of inequalities, social and economic. A macro-structural feature of Indian society that thwarts the attainment of this goal is the caste system which reinforces social and economic inequality. Sociological analysis of the dynamics of caste in modern India leads to the conclusion that caste and its corollary, nepotism, will persist in India for a long time to come and retard modernization, distributive justice and equality of opportunities. The worst sufferers under the caste system viz., the scheduled castes or Harijans have been guaranteed special protection under the Constitution but in spite of several welfare programmes to raise their social and economic status they still constitute one of the depressed and despised minorities of the country. Another backward minority group, the scheduled tribes of India which number 38 million still remain to be fully integrated and brought into the main stream of national life; government measures to protect them from exploitation and to develop tribal areas have so far yielded very poor results. Rural poverty has become more acute, real wages have gone down in most states, and inequalities in income and wealth and the high percentage (30-40%) of people below the poverty line persist.

The policy of making the tiller the actual owner of the land was diluted in the programmes by administrative failure and lack of commitment by the state governments to the ideology behind the policy. Feudal landlordism was abolished but it was replaced by capitalistic farmers and in the course of years of government muddling in further tenurial reforms small farmers and share-croppers were expropriated in large numbers. The green revolution which nearly doubled agricultural productivity led indirectly to the proletarinisation of sizeable numbers of small peasants and attached agricultural labourers. Land grab movements in some areas were the expression of explosive agrarian distress.

Intensification of political activities in the villages has produced a new awareness among the villagers of their role as voters. In the more progressive areas a trend for the intelligent use of the ballot is visible. Though elective positions in the panchayats, cooperatives etc., are usually monopolised by the members of the dominant castes, the democratic processes have helped in bringing increasing numbers of villages into regional politics.

Factors favouring modernization include improvements in farming methods, the slow but steady growth of nationalism, the narrowing of cultural and social gaps, a trend towards openness in Hindu society, and the popular awareness even among illiterates of the power of the ballot box. The barriers to development are massive illiteracy, the growth of the horizontal solidarity of caste, the growth of regionalism, the culture of poverty characterised by conspicuous consumption, the persistence of the exploitative norms, the lack of commitment to egalitarianism and the poor quality of the administrative system of the country.

The Gandhian mode of rural reconstruction was not given a fair trial primarily because of the orientation of the elite to western developmental economics and also due to the obvious difficulty in sustaining the revolutionary ascetic fervour of the Gandhian era. The development model of the Indian planners seems to approximate the Medium Intervention Solidarity (MIS) model (Inayatullah, 1974). At the operational level, the prevailing social inertia diluted it into the Low Intervention Productivity (LIP) model. The evil effects of the administration failing to keep the goals in sight or even going in a contrary direction are now blatantly evident in the present anomic state of the country. A strong government at the centre, clearer goal setting, pricrities and timing, more government intervention and interest in rural society, and above all a reversion to Gandhian ethics, attitudes concerning property - the rich are trustees of wealth and not owners - and social relations are essential if the Indian people are to fare better and to emerge as a healthier society.

ADMINISTRATIVE INSTITUTIONS, POLITICAL CAPACITY AND INDIA'S STRATEGY FOR RURAL DEVELOPMENT

Kuldeep Mathur

This is a brief summary of the paper which seeks to critically examine the policy model chosen by the Government of India in the area of rural development. The major purpose has been to evaluate the effect of government programmes on village communities and to analyse the degree to which they have been able to achieve their stated objectives. The major focus of attention is on the institutions that the government has sought to create in order to transform the rural scene.

Policies towards rural development have gradually emerged over the last four Five Year Plans. At no period of time has there been a radical change from previous policies. More often than not, old programmes have been allowed to languish when new ones are taken up.

At the start of the First Plan it was assumed that if the social impediments to agricultural production were removed then output would increase, which in turn, through measures of distributive justice, would lead to greater prosperity in rural areas. Within the scope of this goal, the ideal of village sufficiency was also injected which assumed that external influences on village life were harmful and that the rural people should be able to maintain their autonomy.

Improving land relations was the priority target in transforming the agrarian structure. Together with this, Community Development and the National Extension Service became the major planks of rural development. Later, in 1959 the scheme of Panchayati Raj was introduced to generate greater support from the people for new programmes of agricultural production. Attempts in these schemes concentrated on spreading the message of democracy and freedom throughout the country and creating a climate that would induce farmers towards greater productivity. Cooperative institutions were also developed in order to loosen the clutches of the landlord and the moneylender, and to make the small farmer a viable unit of increased agricultural production.

This method of tackling the problem of increasing agricultural production, however, did not produce significant results. By 1960, it was obvious that a food crisis was approaching. Without giving up the old programmes, a new orientation was given to the agricultural development programme. It was felt that instead of spreading men and material thinly all over the country, efforts should be concentrated on areas with a favourable resource base and potential for growth. The

Intensive Agricultural Development Programme was a result of this shift in emphasis. The Programme was launched in 1960-61 and was supplemented by the Intensive Agricultural Area Programme. These Programmes were followed by Programmes of introducing 'New Seeds' through High Yield Variety Programmes. It was being assumed by the policy makers that a production first philosophy had thus far been neglected and that the Green Revolution was the way towards rural prosperity.

However, now that both the promise and the consequence of the Green Revolution are being better understood, we are right back where we started. Rural prosperity has not been widespread and the weaker sections have been deprived of the benefits of development. More and more evidence is emerging to show that the gap between the big and the small farmer is widening and a new class of capitalist farmers is growing, transforming the semi-feudal character of the rural scene.

Thus, the significant trend that emerges is that the smaller farmer, rural labourer and other weaker sections have not received sufficient support to raise their levels of living. In other words, if they were on the periphery of developments earlier, they continue to be so even today. Vested interests already entrenched in rural society and the rising new agricultural classes have been mainly responsible for insulating the poor from the benefits of development. It has not been possible for the government to penetrate this barrier. The end result of all this is that while pockets of development and progress are seen at the level of the elite, little change takes place at the societal level.

This failure to reach the poor emerges from the close linkage of rural politicians with state and national level leadership which determines the rural policies. Panchayati Raj leadership, which is at best neo-traditional has forged links with the state leadership and acts as vote banks for the political decision-makers in the state legislature assemblies. Naturally it is difficult for these decision makers to go against the people who are their sources of support and power. At the Central level, the ranks of the old leadership of the independence movement which had no landed interests but had 'promises to keep' are getting thinner and the new leadership coming to the parliament identifies more with the new rising agricultural class for support. The result is that policies to reach the society at large become mere rhetoric and are articulated in every plan or Budget speech to project and build an image of the policy making elite which the masses will accept.

This weakness in intentions has been compounded by the increasing use of the existing administrative structure to implement change. Paradoxically, this was considered the greatest impediment to change but each plan strengthened it and increasingly relied on it for its own success. It was quickly forgotten that the members of the civil services were themselves a privileged group and would readily identify with those who would help them to maintain their privileges. Lack of ru-

ral orientation helped to build further biases in programme administration. Increasing fulfilment of developmental objectives tends to bring changes in the administrative roles themselves which are bound to be resisted.

Apart from this, adoption of the bureaucratic strategy brought with it its own logic. Greater concern was expressed for the apparatus, numerical targets and filing of returns. This was easier to do, hence the developmental scene has been dominated by an impressive increase in outlay of men and finance. Seriousness about a project was marked by the speed with which an organisation could be set up and money could be spent. Thus, success became a game of numbers.

In this situation considering the social political forces at work, what was forgotten was the role of politics and political ideology in the whole process of rural development. Questions of rural development seem to have political rather than administrative answers. Those against whom policies are directed do not give up their power just because government has issued a decree. In fact they will use every method to see that these policies are distorted or completely sabotaged. In such a situation, forces and pressures have to be built up from below to initiate changes. At the present juncture, political mobilization of the rural under-privileged seems to be the only answer. Thus the argument is that it is the organization of the unemployed, the landless, the crop sharers and insecure tenants into militant unions that can prevent the benefits from being pocketed by the contractors, rich farmers and petty bureaucrats through whom they are channelled.

Political mobilization is, however, difficult to achieve. Unionization of the poor is not easy. It still continues to present the question of socio-political feasibility. However, the fact still remains that if drastic changes in institutional arrangements are not initiated soon and developmental benefits are not widely dispersed the very stability of the society will be at stake.

RURAL DEVELOPMENT IN INDONESIA

Gary E. Hansen

Until recently the rural sector in Indonesia has not been the object of a well sustained and concerted development effort. The period from 1950 - 1966 was one marked by profound political and economic instability, conditions which severely hampered any effort undertaken by the government to improve rural livelihood. During this period there was general deterioration in rural infrastructure and stagnation in agricultural productivity.

The period since 1968 has been one of relative political and economic calm, enabling the government to launch forth in a more sustained effort in improving local conditions. The first five-year plan (1969 - 1974) placed primary emphasis upon increasing rice production and rehabilitating rural infrastructure. Major gains were accomplished in these areas particularly in the distribution of high yielding rice varieties. It appears, however, that smaller farmers were not consistent users of the varieties, and that only marginal advances were made in alleviating conditions of income inequity and unemployment among low-income groups within the rural sector. In addition, the introduction of new technology has at times been labor displacing, off-setting some of the gains which had been achieved through labor intensive construction of infrastructure.

It should be mentioned that the entire farming population suffered a decline in income relative to changes in the overall price index during the plan period. Finally, the use of the new rice varieties seems to be associated with a weakening of traditional patron-client ties, and this may give rise to major social tensions between land owners, tenants, and landless labor.

It can be anticipated that the basic strategy of the first five year plan for rural development will continue into the next plan period (1974-1979). There will be greater emphasis upon employment and income distribution but it appears that these programs will not be of sufficient scope to substantially increase the level of living among low-income groups. The strategy will also continue to rely upon the government bureaucracy as the primary instrument for introducing rural change. Mobilization capacity will, therefore, be limited as political parties, functional groups and other voluntary organizations will play only a minor role in the development process. Efforts will continue apace to develop a cooperative movement but progress in this area will be limited given the dependence of cooperatives upon government regulation.

As in the previous plan problems of tenancy and wage rates among landless labor will not occupy positions of high priority. An emphasis upon income distribution will continue to be seen as a measure for mitigating social and economic disparities and not as a necessary strategy for generating overall economic growth. Economic growth and the sharing of its benefits in an equitable fashion will continue to be predicated upon the assumption of a prevailing harmony of interests among those who live in the rural sector.

RURAL DEVELOPMENT PROGRAMS IN INDONESIA: VILLAGE COMMUNITY SOLIDARITY AND OTHER GOALS

Sajogyo

The first two decades of independence (1945 - 65) have seen the efforts of the Republic to create a nation. In the resumed dispute with the Dutch (nationalization and on West-Irian) and the Malaysia confrontation, "solidarity-maker" politicians have dominated over "administrators". If they succeeded in achieving the goal of creating "one nation", they failed in stimulating economic development and economy remained stagnant caught in the whirl of runaway inflation. There was no consistent concepts in planning and in implementation. The two "plans" - the 1956-60 and 1961-68, respectively, were practically shelved.

While the impact of specific programs for the period is thus difficult to ascertain due to lack of consistent efforts and data on trends, several "end-results" may be shown. A fertilizer revolution in rice farming started in 1959 and since 1967 supported by imported HYV has resulted in the only breakthrough in farming-productivity but as yet benefits only 29% of foodcrop-harvests and at most one-sixth of peasants. In Java with two-thirds of the population, the new technology in rice farming has not absorbed more labour as it is already very labour intensive. With under-employed labour still in farming in the main season, only the last decade has seen some movement to other occupations, in wage labour (industry) or tertiary fields. District-projects and special rural public works-projects have not been able to provide work to more than one-tenth of annually under-employed in 1969-74.

With relative moderate income disparities between rural and urban population, and between rural Java and rural "rest of Indonesia", a comparison between "better-off" and "poor" peasants shows that though the former have inadequate food the poor suffer from malnutrition seriously as they could get only 60% of recommended calorie and protein-levels. In 1969, 46% of the population fell in the "poor" category, more in Java (57%) than in the "rest" of rural Indonesia (28%). All the efforts toward land reforms including the struggle for distribution of Dutch-owner plantations, a soft land reform (1960-64) and in introduction of land settlement schemes, have not affected more than 10% of rural households. In education progress has been impressive, (a literacy level of 60% in 1971 as compared to less than 10% in the 1930's); but still only one-fourth of the proper age-group has reached secondary education levels. In general, rural youth are still at a disadvantage and formal schooling beyond the elementary level has not been of direct benefit to villagers, to remain in farming.

Due to a shift from a mixed bureaucratic-political parties mobilization system to a dominantly bureaucratic system, village local government has become more powerful and come under greater influence of subdistrict heads and other field personnel. (Government personnel in 1973 has grown to 1.6 million in a 125 million population, compared to 58 million in 1930 with 0.2 million in colonial service).

The dominant structure of relationship between different groups and classes is a patron-client bondage: farm-labourers on small plots or landless as clients dependent on larger farmers (in Java, 1.2 ha-farms) more active in money economy. Due to this bondage benefits of the intensive package programs are not reaching the poor or in the remote gardens and villagers. In export crops the farmers are getting less than 40% export price.

With "micro-area-development" (cluster or villages) as its main policy of community-development, the Ministry of Home Affairs is relying on subdistrict heads and field personnel to coordinate government services to ensure that in the next 15 years such intensive services would push all village communities to reach the "self-sufficiency" level. Whether existing village local government structures will inspire rural people in reaching out to better levels of living is still a question.

Social guidance and community education programmes in rural as well as in urban areas aimed at improving personal skills and local community organisation, have too diffuse goals. In comparison, two programs of supplying new technologies - the high yielding varieties and modern farm inputs and family planning - have organised modernized delivery systems from top-down but have not yet found their community counterpart (or partner), embodying local community participation and responsibilities.

In relying solely on a bureaucratic mobilization system, community development will not produce results so long as village local government structures are dominated by patrons who are accepted as "more equal" than their clients in bondage.

GOVERNMENT POLICY AND RURAL DEVELOPMENT IN MALAYSIA

Stephen Chee

The striking legacy of British colonialism was the creation of a Malaysian society that is socio-culturally differentiated. Of more fundamental significance, however, than this differentiation was the patterning of structural dualism as a result of differential mobilization and uneven incorporation in the colonial polity and economy. In the economy, structural dualism was manifested in the bifurcation between the 'urban' export sector (based on estate plantation - mining - and trade) and the rural peasant sector. The immigrant, non-Malay population was incorporated into the export-oriented activities of the colonial sector; the indigenous Malays were predominantly in peasant subsistence agriculture.

In post-independent Malaysia, public policy had to be directed to the achievement of two separate and often contradictory objectives. The first policy objective was to maximize economic growth to ensure economic viability and national unity. The second, a politically more imperative goal was to reduce the economic disparity between the Malays and non-Malays; or between the rural and urban sectors, since ethnicity and geographical concentration were reinforcing. The rural development programme in Malaysia is assigned the major responsibility for reducing inter-sectoral and inter-communal discrepancies.

Rural development in Malaysia has occupied a central place in the priorities of the various five-year plans since 1956. Defined broadly to cover social overhead capital and other infrastructure building besides agricultural development programmes, the share of gross rural development expenditure over the past 20 years has probably been more than 50% of total public investment. The size of budgetary allocations reflects the national political commitment to rural modernization, as well as the strategic position of the rural Malay electorate.

While the centrality of rural development as a public policy is clear, there have been shifts in the operational goals of rural programmes. Reflecting the predilection for macro-economic planning, the emphasis in the first two five-year plans was on productivity goals, especially on physical output of infrastructures. By the mid 1960's, however, in recognition of the limitation of the infrastructural approach, rural development strategy had broadened to include institutional change. But institutional reforms have not brought about basic structural changes. At best, there has been implanted into the rural economy a parallel "bureaucratic market structure" to reduce opportunities of exploitation of the peasants by the middlemen. Rural policy in the present phase of development, however, has placed greater emphasis on equity goals as a result of the 1969 racial riots.

The major responsibility for the implementation of rural development is assigned to the civil bureaucracy. The paradigm for the administrative 'big push' in rural development was the colonial military plan used in combating the communist insurgency. Experimentation with community development and agriculture modernization through rural cooperatives and farmers' associations were a limited departure from this paradigm about which the elite remained ambivalent. As a consequence the preferred instrument is the regular administrative structure supplemented by a host of statutory bodies or public enterprises.

Development policy in Malaysia has undoubtedly had an impact on the rural areas. The picture is, however, not altogether an unambiguous one of increased productivity, improved well-being and rising incomes. Indeed, there has been spectacular progress in the construction of physical amenities and the development of new land for resettlement. Major output indicators, such as literacy, infant mortality, crude death rates and school enrolments attest to the increase in welfare of rural people resulting from Malaysian rural development. On the other hand, the introduction of new agricultural technology has thus far failed to increase peasant productivity substantially. Partly this was because the delivery system of the agricultural development programme in the early sixties was less attuned to the needs of the small farmer. Unfavourable institutional relationships prevented the bulk of the farmers from adopting high productivity techniques. Rural modernization has not been accompanied by employment creation or reduction in income inequality.

Rural development policy in Malaysia has passed through several phases: first, there was a striking change from colonial benign neglect to active government intervention in rural upliftment, particularly in infrastructural construction; secondly, the first decade of development emphasized agricultural output/productivity goals; thirdly, socio-cultural and institutional change has moved from a position of implicit to explicit goal; and, finally reflecting the heightened political urgency of corrective equity, there is an accentuation of programmes to reduce interethnic and rural-urban imbalances. In pursuance of these goals, Malaysian rural development has experimented with different strategies and instrumentalities. There has been much innovation in form but the actual impact of rural development policy will not be clear until the next decade.

RURAL DEVELOPMENT AND INSTITUTIONAL CHANGE: THE CASE OF PAKISTAN

Shahid Javed Burki

The first section of this paper describes the nature of change in the rural areas, in both quantitative and qualitative terms. The second section provides a brief description of the society as it existed in 1947, the year Pakistan gained independence, and describes the changes that have taken place in the last 28 years. The third section describes the policies adopted by several regimes in Pakistan's history to develop rural areas and how these policies were influenced by powerful elements within the society. The fourth section provides an analysis of the impact of these policies on Pakistan's economy as well as on its political and social structures.

In this quick review of rural development in Pakistan, we have suggested a scenario in which political and social factors have an important role to play. The slight downgrading of the part performed by economic and technological factors in this drama of rapid rural change is deliberate: these factors had to make way for those that have figured, if at all, in a very casual way in previous analyses. Moreover - to persist with the metaphor - it would be analytically not very tidy to crowd the stage with a number of actors. Those with which we have a certain degree of familiarity could afford to drop out of the spotlight for a while.

In an analysis of rural development and change, we have identified two non-economic factors as specially significant. These are social and political elites and political and administrative institutions. For a number of reasons the role of elites and institutions in economic decision-making was more important in Pakistan than in most developing countries. The State of Pakistan was founded by a social group that was not indigenous to the country and had little economic, social or political interest in the development of the rural areas. The political domination of such a group in a country as rural as Pakistan could not go unchallenged for long and when the challenge came the founders were very anxious to accommodate the "counter elites" in the political structure. In the accommodation that was gradually worked out, the founders were left in charge of the large cities while the old, indigenous leadership were given control of the countryside. One consequence of this was to bring back the rural sector into the scheme of the government's economic priorities. However, such a neat split in the political system could not be maintained for long; the groups that were excluded from this grand alliance of the fifties was bound to make a bid for accommodation.

The bid for accommodation came in the form of a military coup d' etat. This coup, not entirely expected at that time, and later explained by many in terms of "the phenomenon of Third World military elitism" was in large part

the result of social groups, previously excluded from the political system, making a bid to enter it. In 1958, when the coup d'etat was staged, Pakistan's military was much more representative of the rural and urban middle classes than the political parties that dominated the political system or the Civil Service that controlled the large bureaucratic structure. In other words, the one important consequence of the 1958 revolution was to bring in the middle classes as participants in the political and economic system.

Given its social background, and the economic goals of the classes it represented, it was natural for the military to bring about a radical transformation of the political system. It could not depend upon the old institutions to deliver political power and economic benefits to the groups it represented. Accordingly, it turned towards an ingenious institutional device that would serve to aggregate simultaneously various conflicting political and economic demands of the old and new groups. The Basic Democracies was therefore more like a political party than a system of local government, handling inputs and developing outputs in response to various stimuli. Among the more important stimuli were the new regime's concern with legitimacy and the interest of the new socio-political groups to assert their prominent place in the new system. Among other things, the regime sought legitimacy in rapid economic development; the new groups asserted themselves by taking over a part of the support base of old elites. Rural development was, therefore, an area in which the legitimacy concerns of the regime and power-building interest of the new groups would be handled simultaneously. Given the nature of these goals, rural development in Pakistan during the sixties took the form of rapid growth in the output of the agricultural sector and a somewhat better distribution between the rural population of this addition to the national wealth.

RURAL DEVELOPMENT STRATEGIES: THE PHILIPPINE CASE

J. Eliseo Rocamora

This paper presents some indicators of change in the rural Philippines. It also describes the rural development strategies of the government and their impact. Attention is focused on the administrative and political factors affecting the implementation of government programs.

The pace and pattern of change in the rural Philippines over the past two decades have, from a developmental point of view, been quite disappointing. Although limited increases in productivity, employment, and income have been achieved, and education, health, and other infrastructural services have improved, the distribution of benefits accruing from these achievements is marked by gross inequalities. To start with, rural areas are considerably behind urban areas in all of the indicators of change used in this study. The gap between advanced regions like Central Luzon and poorer ones such as Eastern Visayas has widened. Income is more highly concentrated in the urban upper classes today than it was 20 years ago. In short the large majority of the population has hardly, if at all, felt the benefits of developmental change.

Rural development programs of the government show rather meager results. Land redistribution programs in the past 40 years have succeeded in redistributing only slightly over 40,000 hectares of tenanted land. Some 43,000 families have been resettled but of these, less than 28 percent were actually moved in by the government. Despite substantial gains in developing rural credit institutions in the early seventies, farmers with under three hectares of land, who comprise 73 percent of the total farming population, shared only 1.6 percent of the production credit. Community development programs have not had any measurable impact on the continuing poverty trend of rural communities. Nor have barrio self-government programs succeeded in lodging political power in the people.

Although equity appears to be a dominant goal judging from the speeches of government leaders and the statements of objectives of agrarian reform legislation, the record shows that more resources have actually been spent on productivity goals. Emphasis on short runs in productivity, however, has served to exacerbate differences between advanced areas and farmers, and poorer ones. Landlord's resistance to land redistribution has increased as a result of making ownership of land becoming more profitable.

Increasing evidence of the neutral effect of tenure change on productivity and the small size of most landholdings in reform areas have led government planners to experiment with a variety of cooperative farming schemes. Yet, the

experience of government cooperative development programs in the past has shown that conditions of inequality within cooperatives, as well as other factors, have resulted in their failure. Present programs would limit membership to small farmers but it remains to be seen whether these cooperatives can survive the competition of large, single-owner farms and corporate agri-business.

The inadequacies of government programs in the rural areas can, in the final analysis, be traced to their failure to counteract powerful economic forces which have impoverished larger and larger sections of the peasantry. What is even more discouraging is that many of these programs have intensified and accelerated the momentum of changes unfavourable to peasant interests. The power of exporter and landlord groups in the government partly accounts for this. Moreover, the emphasis on the counter-insurgency and control aspects of rural policy has grown as peasants have turned increasingly to class-based action.

POLITICAL STRUCTURE AND RURAL CHANGE: THE CASES OF THAILAND, MALAYSIA AND THE PEOPLE'S REPUBLIC OF CHINA

David F. Roth

This paper looks at structural factors as they relate to rural change. Additionally it examines propositions on the linkage between the degree of governmental (policy) intervention, structural type and rural change policy outcomes. Three cases, each illustrating a variant of the structural-policy intervention typologies are discussed. These cases include Thailand (the bureaucratic-low intervention model); Malaysia (single party dominance-moderate intervention model) and China (single party monopolistic-high intervention mobilizing model).

The first set of propositions are related to the low intervention policy model (LIP), which seeks to bring about changes in productivity without changes in social structure or land tenure. The second set of propositions refer to conditions of the medium-intervention-solidarity model (MIS), which seeks to remove obstacles to development by creating new institutions, modernizing rural elite and through diffusion of organizational and human relation skills. And finally, there is a third set of propositions on the high intervention-equality model (HIE), which seeks to promote social change towards economic and social justice.

The first set of propositions includes the conditional statement that if there is an effective bureaucracy, the low intervention policy model can still result in production increases. It does not make any predictions with regards to the quality of other aspects of rural change, such as improvements in social conditions, political participation, etc. The propositions do posit that if rural structure is rigid and inegalitarian, then increased maldistribution is likely to occur. Further, that class and communal conflict might be heightened if policy intervention pursues this model.

Similarly, propositions related to the second model stress the impact on productivity of the structure of mobilization and administration in an egalitarian or inegalitarian rural community.

The high intervention model is posited to have a negative effect on rural development if the social structure is inegalitarian, and policy intervention leads to greater conflict in rural areas. However, if a single party integrates administration and mobilization then the long term impact on productivity, distribution of income, employment and other indicators of rural development are likely to be positive.

In evaluating these propositions vis-a-vis case studies it was noted that the bureaucratic structure and low policy intervention (Thailand) combine to produce along with other factors (cultural and political) little amelioration of the rural dilemma, under-employment, increased tenancy, maldistribution of income and a large majority of farmers experiencing a near subsistence livelihood. Several challenges confront the Thai government including: integration of administration and mobilization, farm consolidation, increased irrigation and distribution of modern inputs. improved rural communications and an evaluation of the potential income increments which might be gained from agriculture. Planning has improved vastly, but greater efforts at execution, consideration of outcomes (impact) and improved administrative-mobilizational effectiveness are required. There is some doubt that these can be accomplished given existing cultural and political constraints.

Malaysia illustrates a case of gradual political mobilization of both administration and clients. With moderate intervention, there have been important changes in the structure of Malaysian rural development. Regional planning is now becoming increasingly apparent. Evaluation of the impact of the moderate intervention policies is now receiving attention and is resulting in modified strategies. Administration is readily being improved. Yet there are fundamental problems, including poor coordination, inadequate trained staff (planning and administrative), inadequate implementation, and policies which may accentuate the existing social ills (in particular the maldistribution of income). The existing rural development thrust also suffers from a continued oversight of minority community farmers (the rural Chinese, the Dayaks, the Orang Asli and Khadazan to cite but a few). The challenges to those administering Malaysian rural development policy include making greater efforts to consolidate the economic units of production, the need for increasing productivity and improved mobilization to ensure these (including psychological motivation). Given the political rules of the game in Malaysia, these are likely to be confronted and responded to gradually.

China, pursuing the high intervention model has successfully integrated single party control over the administrative structure with mobilization. Major advances have occurred in realizing domestic food needs, improved distribution of goods and income, as well as significant advances in the distribution of important social services.

This brief examination of the linkage between political-administrative structure, policy intervention type and rural change performance suggests that there is an important relationship among these variables. These propositions are also suggestive of the alternatives confronting policy makers concerned with rural development. There is a trade-off. Those favoring removing environmental constraints to free private initiative so that it might respond to market forces and thereby improve the well-being of those so doing are increasingly dismayed by the

results. These negative results are occurring because of administrative weaknesses, the absence of fore-thought on policy impact, cultural constraints and the dynamics of free competition itself, which favour the rich getting richer at the cost of the weak (the silent majority). This can be particularly crucial where the governments fail to develop responses to a growing population and rural-urban migration. The latter requires recognition of the need for regionally integrated (agrarian and industrial) development, in particular non-agrarian sources of employment to relieve the man to land pressures in the rural areas, and ensuing urban plight.

AGRARIAN CHANGES IN ASIA

A.N. Seth

Many changes have taken place in rural Asia during the past three decades. At the end of World War II conditions bordering on semi-feudalism obtained in the rural areas of many countries - in Bangladesh, China, India, Japan, Korea, Nepal, the Philippines, Vietnam, etc. The past 30 years have witnessed some attempts at the reform of land tenure structure: The Zamindari system in India, Bangladesh and Nepal has been abolished. In Japan and Korea, most tenants were made owners of land and in the Philippines a major programme is now in operation to convert tenants into owners. In quantitative terms the legislation concerning land reforms has been impressive though in several countries total impact has been much less than originally desired.

Two broad approaches to land tenure reform were adopted in Asia, namely:-

(1) the regulatory approach, which aimed at mitigating some of the exploitative features through state regulation providing for security of tenure, fixation of fair rentals, etc.; and

(2) the abolition approach, which aimed at converting tenants into owners of lands.

The regulatory approach has been mostly ineffective. The abolition legislation met with comparatively better success. In either case there were serious problems in implementation and many tenants and sharecroppers were evicted in the process.

There have been several causes for the ineffectiveness of the reforms in Asian countries. The two major causes were the landlords' economic, social and political power and consequently the lack of political will on the part of the governments (dominated by landlords) to carry out the reform, the lack of bargaining power of the beneficiaries of the reform and of any organisation through which they would act. Other causes which made legislations ineffective include gaps in the law, lack of adequate administrative machinery for enforcement, pro-landlord bias in the administration, lack of land records and supporting services, etc. These latter causes arose largely from the lack of political will and capacity on the part of the governments to give effect to the reforms.

As a result of the reforms, however, some tenants and sharecroppers became owners of land, while many others got evicted in the process. The agricultural labourers derived hardly any benefit from the reforms. Attempts at regulating their wages also proved ineffective. The production structure remained generally unaffected by land reform. As before, agriculture in Asia continues to be characterised by the preponderance of small farms with a scattering of medium and large farms. However, though few in number the medium and large farms comprise the bulk of the farm land.

In an agricultural economy with maldistribution of lands the problem is not one of low yields (per unit land) on small farms. On the contrary, available data seems to indicate higher yields on small farms as compared to those of medium and large farms. The main problems besetting small farmers are lack of access to resources at reasonable cost and under-utilization of capital and human resources. On the other hand, concentration of lands with a few families who do not possess enough of family labour leads to extensive cultivation. Intensive cultivation through hired labour has often proved to be uneconomic.

With growing population pressures, the number of people seeking employment in agriculture is increasing rapidly, farm units are being subdivided, the number of small and marginal farmers and landless agricultural labourers is multiplying and under-employment presents the most formidable problem in most parts of rural Asia. Large scale migrations in search of employment in urban centres have created a difficult socio-economic situation in city slums. There is a growing awareness that the employment potential of the modern capital intensive industrial development is low, and that increasing manpower must be retained and utilized in rural areas, primarily in agriculture.

Of late, there has been considerable investment in the development of agriculture but the gains of development have not been shared by the rich and the poor alike. As a result the gap between the rich and the poor has further widened, leading to heightened tensions in the countryside.

The problem, thus, is to devise a scheme of agrarian reorganisation which will ensure effective utilization of the abundant human resources in exploiting the large potential for development in rural areas (irrigation, drainage, land terracing and levelling, diversified and mixed farming, construction of houses and roads, etc.) with the minimum of capital investment, (a scarcity in developing countries). Two alternative approaches have been adopted: the first is cooperativisation of agriculture (as in China), and the other is that of family farming. Through the device of "Communes", China has succeeded in mobilizing its entire human resources for integrated rural development. But this has necessitated a major change in social structure and values.

The implementation of neither approach is going to be easy as difficult social, political and management issues are involved - redistribution of lands, changes in social values and attitudes, restructuring of institutions for supplies and services, etc. If cooperativisation presents problems of changing social structure, values and management, an even more difficult task is posed in family farming to extend supplies and services to millions of small farmers, adapting the technology and institutions to suit their needs, re-orienting the attitudes of the development administration towards the needs of small farmers and mobilizing the surpluses from millions of farmers for investment in rural development. In either case if a change is to come through a democratic, peaceful process, it will become necessary that the small farmers and agricultural labourers should get organised and the rural elites rise above narrow class interests. Considering the gravity of the situation in several countries of Asia, the failure of timely action may mean the collapse of the democratic system and change in existing order through a violet change.

GREEN REVOLUTION, PRODUCTIVITY AND INCOME DISTRIBUTION: AN ASSESSMENT OF IMPLICATIONS FOR RURAL DEVELOPMENT IN CERTAIN DEVELOPING COUNTRIES IN ESCAP REGION

Mahfooz Ahmed

This study presents a review of the green revolution with a view to highlighting its implications for rural development in the ESCAP region. In particular, it analyses the characteristics of adoption of High Yielding Varieties (HYV), trends in productivity, impacts on income distribution and agrarian structure and the important issues relating to the small farmers, trends in mechanisation and scarcity of chemical fertilizers.

The green revolution involved in mid-sixties, the use of HYV's (Mexican wheat and IRRI rice) with massive dozes of fertilizers and other protective chemicals in areas with assured and regular water supply. The tremendous productivity potential of the HY varieties generated both enthusiasm and high expectations and the use of these varieties became an integral part of the so-called new agricultural strategies in many developing ESCAP countries. The enthusiasm was based on assumptions which were difficult to hold in the varied situations obtaining in these countries, and hence in many cases the expectations from the HYV's proved by and large unjustified. Indeed, despite nearly a decade of green revolution, the agricultural situation in the region remained grim, the need for raising agricultural productivity is as urgent as ever and the appropriateness and effectiveness of the green revolution is now being severely questioned.

Characteristics of Adoption

There are marked differences in the degree of commitment in the use of the HYV's among developing countries. Indeed the experiment of each country highlights a distinct approach towards the adoption of HYV's. Thus, Sri Lanka's tradition to improve seed through painstaking varietal research over a long time emphasises the importance of environment and local conditions. Malaysian insistence on the creation of irrigation as a pre-condition for the adoption of HYV's focuses on another critical element in the successful spread of the new technology. Moreover, the emphasis on locally developed high yielding varieties not only reveals the importance of factors such as environment and grain quality, but more critically the search for HYV's using small amounts of chemical fertilizers. Thailand's reluctance to adopt IRRI rice is quite obvious as it is a rice exporting nation. In countries strongly committed to the adoption of HYV's, viz., Pakistan, the Philippines, India and Indonesia, the pattern of adoption shows wide variations. However, for wheat the breakthrough appears to be general, for in most

wheat growing areas a remarkable increase in output has taken place. In the case of rice, the impact is typically localised in certain areas. The performance of IRRI rice has been discouraging in the major rice growing regions. Where breakthrough has been achieved in wheat or rice, the contribution to the increase in output has come both from the increase in yield and area under cultivation. The increase in area under HYV's of wheat and rice was made possible by notable changes in the cropping pattern.

An S-shaped adoption pattern has been observed in most instances i.e., the adoption rate accelerating after the initial innovators have set the pace and then slowing down. This pattern evidently demonstrates the critical importance of the availability of irrigated areas for the spread of HYV's. The growing scarcity of fertilizers has accentuated the impact of factors leading to the slow down of the adoption rates. The actual amount of fertilizers applied on the farms has been often below the recommended doses and hence the expansion of area does not reflect the true situation much less the impact on productivity.

Difference has also been noted on different sized farms according to tenurial conditions. Small farmers not only applied lower doses of inputs but also constituted a large proportion of the laggards indicating both their low resourcefulness and high tendencies of risk aversion. However, once the small farmers innovate they prove to be competent adopters. Tenancy does not hinder the adoption of HYV's, nor are the owner cultivators relatively more efficient. In the dissemination of HYV's personal contact plays the most important role, but the great potential of extension has not been adequately utilized in most countries.

Impact on Productivity

Drought and natural disasters have occurred frequently throughout the green revolution period. However, there is little doubt that the HYV's have raised yield per hectare significantly and its contribution to the increase in total foodgrain output has been considerable in some countries. Furthermore, there is plenty of evidence to indicate that the productivity potential of the HYV's or rice and wheat has not been fully utilized and there exists considerable scope for greater productivity provided the initial conditions: quality seed, appropriate amount of fertilizers, assured and regular irrigation, institutional framework etc., are met.

Impact on Distribution and Agrarian Structure

The HYV's have benefited the well-off farmers more than the rest. Moreover, despite claims about the scale neutrality of the HYV's, the traditional inverse relationship between size of farm and yield seems to have been shattered. Tendencies of mechanisation often supplemented by government policies and the unequal availability and distribution of credit have played a significant role in exacerbating disparities among farmers.

On the agrarian scene the traditional arrangements have given way to commercialised and impersonal ones. A shift has occurred from share cropping to fixed rents which are continually being raised and demanded in cash and in advance. The gradual shortening of leases has heightened the insecurity of tenancy, especially for small tenants. Indeed, the new technology is being absorbed without releasing the exploitative hold, but through effective changes in tenurial systems. Besides aggravating disparities such changes have generated social tensions having serious implications for rural development.

Some Critical Issues:

Small Farmers

Small farmers face serious problems at many levels. Lack of resources leads to high tendencies of risk aversion and smallness of the farm restrains them from adopting modern technology. They suffer from unequal access to credit, inputs, knowledge and information. They have to face a totally unmotivated and unsympathetic institutional framework which they cannot challenge due to lack of mass participation and group organisation at the grassroots level. As a consequence they have suffered badly under the green revolution. In view of their importance as a target group for tackling the problems of mass poverty and unemployment these issues have serious implications.

Trends in Mechanisation

While the employment effect of the HYV's has been generally favourable, the gains have been more than neutralised by the strong trends of tractorisation in the HYV's areas. The superiority of the tractor farms in terms of productivity and profitability has not been conclusively demonstrated by the available evidence. Moreover the reduction in the drudgery of farm operation due to tractors appears to have been accompanied by adverse effects on work habits and the level of work effort. All these raise important questions on the role of mechanisations in the context of mass poverty and rural development.

Scarcity of Fertilizers

Most developing countries in the ESCAP region are deficient in fertilizers and thus face serious strains on their balance of payments. Conditions of scarcity have also radically altered the nature of fertilizer distribution to farmers. In addition to the possible deleterious impact on yield of HYV's, growing scarcity of fertilizers raises fundamental questions such as: whether agricultural strategy should continue to emphasize the fertilizer intensive HYV's of the mid-sixties, or whether emphasis should be directed to varieties requiring low amounts of chemical fertilizer and those which give high yield for the locally available organic manures.

The crop specificity and localised nature of the green revolution has been responsible for the adverse impact on the growth of other food and non-food crops, the increase in regional disparities and the lack of efforts at diversification of agriculture in most developing countries.

A large number of policy suggestions are quite evident. Indeed there is a strong case for integrated rural development. However, there is no standard approach to rural development for all countries and all situations. In all the approaches however, what is needed is a systematic and motivated effort with a demonstrated public will and concern for the welfare of masses at the grassroots level and with the latter's active participation.

ROLE OF PEASANT ORGANIZATIONS IN RURAL DEVELOPMENT

H.S. Wanasinghe

For the purpose of this discussion rural development is viewed as a process which seeks to achieve the goals of:

a) enhancing rural production and productivity;

b) bringing about greater socio-economic equity in rural society;

c) contributing to a spatial balance in social and economic development within a country;

d) broader-based community participation in the process of development.

Realisation of these goals of rural development is affected by a range of variables, of which the role of peasant organisations constitutes a major variable.

The term 'peasant organisation' has been broadly used to include all organisations of small and marginal farmers and of agricultural workers, who constitute the majority of the rural population. These peasant organisations could be classified as follows:

a) Organisations formed for support mobilisation, agitation and common action for;

   i. generating governmental action on production infrastructure, social services, etc.;

   ii. obtaining socio-economic benefits, such as security of tenure, land reform, etc.;

   iii. protection of group interests, such as the rights of agricultural labour.

b) Organisations formed for the performance of economic services - e.g. cooperatives;

c) Organisations which are directly linked to the production activity itself - e.g. cooperative farms, agricultural productivity committees etc.

These different types of peasant organisations are seen to have a pattern of relationships with the three policy goals of rural development - viz. productivity, solidarity of the local community and equity, somewhat as follows:

Type of Peasant Organisation according to manifest objective	Relationship to Rural Development Policy Goals		
	Productivity	Solidarity	Equity
1. For government action on production infrastructure	high	low	low
2. For government action on social welfare measures	medium	high	medium
3. For organised action for fair rents, security of tenure, etc.	high	low	high
4. For organised action for land re-distribution	medium	low	high
5. For communal production	medium	medium	high
6. For regulation of production activities	high	medium	low
7. For performance of economic services	high	medium	medium

Peasant organisations play a multiplicity of roles in the process or rural development, which include the roles of:

a) Identifier of needs/goals/strategies of rural development;

b) Agitator for the achievement of identified goals;

c) Formulator of action programmes for the achievement of developmental objectives;

d) Resource mobiliser for rural development activities;

e) Organiser of the implementation of action programmes.

The level of effectiveness of peasant organisations in the performance of these roles would influence, to a considerable degree, the quality and pace of the achievement of rural development goals.

This level of effectiveness is, in turn, affected by a number of which include:

a) The extent of support which the peasant organisation could command amongst the peasantry.

b) The level of organisational capability which is available in the peasant organisation.

c) The level of rapport which exists between the peasant organisation and the politico-administrative decision-making groups and individuals.

d) The level of inter-supportiveness existing amongst peasant organisations in a country or a sub-national region.

These, in turn, are influenced by several other factors.

One such factor is organisational genesis. This could be broadly grouped under:

a) External bureaucratic genesis which has a negative impact on the ability to mobilise peasant support, on organisational capability for agitation, and on ability to organise common action, and generally, a positive genesis on rapport with politico-administrative decision makers and on organisational capability for formulation and implementation of action programmes.

b) External politico-sccial genesis which has a positive impact on the ability to mobilise peasant support, on organisational capability for agitation and ability to organise common action, but does not, necessarily, have a co-relation with organisational capability for formulation and implementation of action programmes and has a varying impact on rapport with decision makers - depending on variations in political affiliations.

c) Internal genesis resulting from interaction amongst change oriented sections or from initiative of such individuals within the peasant community - which has the same pattern of impacts as external politico-social genesis.

A second factor is the local economic social and politico-administrative power structure. Concentration of economic power seems to show an adverse impact on the ability to mobilise peasant support, whilst diffusion of economic power shows a reverse situation. A power structure characterised by a high degree of mobility amongst classes and groups, a low co-relation between leadership in rural organisations and traditional social relationships and a high degree of openness to external influence exerts a favourable impact on ability to mobilise peasant support, organisational capability and on the degree of inter-supportiveness a-

mongst organisations is seen. Where there is a high delegation of power to the community, extensive diffusion of power within the community and where those who exercise power are selected locally on a democratic basis, a positive impact on the development of peasant organisation can be expected.

The level of peasant awareness of contemporary developmental and modernisation trends is a third factor which influences the role performance of peasant organisations. This, in turn, is affected by levels of literacy and education, exposure to political ideas, access to mass media and the intensity of developmental extension activity in rural areas.

The policy environment of peasant organisations is a fourth factor which influences their role performance. The intensity of policy conflict adversely affects the ability of peasant organisations to mobilise support and also generates organisational conflict. The degree of decentralisation of planning and policy making processes is another element in the policy environment which affects peasant organisations.

A study of the history of rural development in Asia, tends to support the view that equity goals are central to 'comprehensive rural development' and that all peasant organisations share equity aspirations - though to a varying degree.

This experience also provides examples of factors which have an impact on the achievement of such equity aspirations. These include:

a) The presence of a political will for the steady pursuit of equity/goals of rural development which contributes to their achievement.

b) The level of agitational militancy of peasant organisations tend to exert a positive impact on achievement of equity goals which tends to be limited when peasant organisations have a bureaucratic genesis.

c) The almost insuperable difficulties which such peasant organisations of external bureaucratic genesis face in breaking out of their bureaucratic tutelage in order to pursue equity goals.

A strategy package which could support the pursuit of equity goals would thus need to provide for:

- the availability of a political will which is committed to the pursuit of such goals;

- the minimising of policy conflicts in regard to the politico-social policy framework;

- the maximising of the awareness of the peasantry of contemporary modernisation trends;

- the institutionalisation of the diffusion of economic, social and politico-administrative power to and in the local areas;

- fostering the growth of peasant organisations through non-bureaucratic channels;

- the maximisation of the developmental orientation of governmental cadres in rural areas.

RURAL LOCAL GOVERNMENT AND RURAL DEVELOPMENT IN CHINA, INDIA, AND PAKISTAN

G. Shabbir Cheema

In this paper an attempt is made to examine what characteristics of rural local governments in China, India, and Pakistan during the sixties led to the performance of which roles and how the performance of these roles by local bodies affected the accomplishment of the goals of rural development. The characteristics of rural local government included for comparative purposes are: ideological scope; the degree of local autonomy and decentralization in decision-making; the degree of popular participation; financial and administrative capability; bureaucratic responsiveness; and interaction with political parties. The three goals or dimensions of rural development are: increases in agricultural productivity; increases in the provision of housing, water systems, roads, education, sanitation, etc.; and equitable distribution of benefits resulting from the above measures, including equitable access to government initiated programs and facilities.

We find that communes in China were able to exercise a significant amount of autonomy due to their self-reliant financial base, local planning at the village level, flexibility of the direct control from above, greater involvement of the commune management and of the people in program implementation, and their control over resource mobilization and allocation. However, the lack of the above factors severely restricted the capacity of Panchayati Raj and Basic Democracies in India and Pakistan, respectively, to make effective local decisions. Similarly, while rural local government in China favoured and stimulated mass participation to rural mobilization, Panchayati Raj and Basic Democracies restricted this participation only to the rural elite.

A comparison of the three cases under study suggests that in each case the extent of local autonomy and popular participation contributed, with varying degrees, to the development of local leadership capabilities and skills and the creation of an effective communication link between the national modernising elites and the rural citizenry. The local government in China could perform this role. In India and Pakistan, however, due to environmental factors, rural local bodies failed to identify and communicate the needs of landless labourers and small cultivators. Thus, on the role of creating a communication link, there were significant variations between the three countries.

The "single party dominant" rural local government in China provided for bureaucratic responsiveness at the grassroots and greater interaction between local party branches and rural local bodies. Similarly in India, the "intrusion" of

political parties in the activities of Panchayati Raj politicized the local decision-making process and provided the institutional framework for bureaucratic responsiveness. The Basic Democracies in Pakistan, however, were not only dominated by the bureaucracy but also had an insignificant, if any, interaction with political parties. As a result, while in China bureaucratic responsiveness and the involvement of local party branches fostered political awareness among the rural populace and paved the way for the emergence of a politically responsible and socially conscious bureaucracy at the grassroots, Basic Democracies were unable to achieve this goal. In India, despite a favourable institutional framework, the performance of the above tasks was hindered by such environmental factors as the national policy environment and the power structure of the rural community.

While the rural government of China was designed to accomplish the radical transformation of rural areas, the main objective of Panchayati Raj and Basic Democracies was to seek rural modernization within the existing framework by marginally modifying it. In addition, the economic base and administrative capabilities of rural local bodies in India and Pakistan were severely limited. Small wonder, that in comparison with Chinese communes, the impact of Basic Democracies and Panchayati Raj on the successful implementation of development programs and on the overall well-being of the rural people remained insignificant.

The experiences of the three countries demonstrate that holding environmental factors constant, the impact of the characteristics of rural local government on the three dimensions of rural development remains indirect. Simply put, by developing local leadership capabilities, providing an institutional framework for popular involvement in the developmental process, and by facilitating the implementation of development programs, the characteristics of a given rural local government (e.g. the extent of local autonomy and financial and administrative capabilities), contribute to the promotion of agriculture and the development of an infra-structure. In addition, the characteristics of a rural local government (i.e. bureaucratic responsiveness, the degree of popular participation, and interaction with political parties), can facilitate the equitable distribution of income and equitable access to government-initiated programs by increasing political awareness among the rural poor, communicating the latter's needs, and making the grassroots bureaucracy more accessible to the common man.

It is, therefore, suggested that for the purpose of accelerating the pace of rural development in Asia, persistent efforts should be made to (1) enhance the administrative and financial capabilities of rural governments, (2) grant them greater opportunities for local planning, program implementation, and resource mobilization and allocation, (3) encourage meaningful participation by the common man at the local level, (4) politicize rural local bodies, (5) provide for bureaucratic responsiveness, and (6) change the environmental context of the local political system by, among other things, introducing land reforms and special programs for the economic upliftment of tenants and landless labourers.

CHANGING PERSPECTIVES ON RURAL DEVELOPMENT - WITH AN ANALYSIS OF U.S. INVOLVEMENT IN RURAL ASIA

George H. Axinn

The analysis of U.S. involvement in rural Asia suggests that the superiority syndrome and the tendency for outsiders to assume an "up-down" kind of view of their relationship with insiders has been increasingly rejected by systems with which they interact. Along with this is the frustration stemming from the extreme difficulty of inter-system understanding because of the walls of separation build around international enclaves in each system.

A doctrine of reciprocity may overcome these difficulties. Reciprocity requires both systems in an inter-system interaction to look at the situation in terms of cost/benefit ratio. If both parties consider their cost/benefit ratio acceptable, they are less likely to suspect each other of taking unfair advantage. Even when it appears that one system is clearly the "donor" and the other clearly the "recipient", as in a typical education assistance program in an effort to meet national manpower needs, there is always reciprocity. Where there is recognized reciprocity, the superiority syndrome will tend to be minimized. When a rural development acquisition system (RDAS) interacts with a rural development stimulation system (RDSS), the interaction has an effect on both systems, as both change in this process. This results in increased inter-system understanding especially when the transactions between them become iterative (repeating). Greater mutual understanding would increase the chance that the substance of these transactions will be appropriate in light of the needs and the interests of humanity within the two systems as well as the two systems themselves. Greater volume of transactions between the two systems can result in continuous growth in benefit to each participant and continuous reduction in the cost.

In this sense, reciprocity does not require exact exchange of goods or ideas that have equal value in some inter-system marketplace. For example, food grains may be exchanged for more raw metals. So long as there is some benefit, there can be reciprocity. To the extent that the two systems can build enduring linkages between themselves, interactive reciprocity may be more appropriate in the future than one sided "international assistance", for and on behalf of either system.

Turning to rural development, and viewing the development cycle as a cycle, a somewhat different perspective on change emerges. Upon analysis of the experience of such efforts toward rural development as the Comilla projects in

Bangladesh, the Joint Commission for Rural Reconstruction in Taiwan, the Panchayati Raj in India, the recent approaches in the People's Republic of China the conclusion emerges that perhaps rural development cannot be delivered from outside. If the path to a better life be a change preferred by rural people to their present situation, then these experiences suggest that there must be born from within a particular rural social system.

PART III

Statements on Policies and Programmes of Rural Development in Selected Asian Countries

RURAL DEVELOPMENT IN AFGHANISTAN

Mohammad Gul Saqi

Afghanistan's successful rural development programme commenced in 1954, as an independent organisation directly under the Prime Minister's office. Its objectives as stated in the first Five Year Plan, are as follows:

1. To raise the villagers' standard of living by means of increased production and income, modern techniques and agriculture, sanitation and health, cooperation, handicrafts and small scale village industries, etc.

2. To organise and establish school and community recreation centres, to enrich the lives of the people.

3. To create a spirit of self-help, initiative, leadership and cooperation among the villagers by establishing a people's organisation for economic and social progress.

4. To organise a rural extension framework through which the technical ministers can pool their resources to help the villagers improve their living standards.

The programme therefore aimed basically at changing the outlook of the village people; instilling in them a spirit of self-reliance and desire for better living; developing responsible and responsive village leadership; establishing village organisations and promoting agriculture and animal husbandry, health and sanitation, academic and fundamental education, handicrafts and small scale industries, rural housing and village planning, and social welfare. The programme was conceived as an organised co-operative enterprise of the people on one hand, and the government on the other, and seeks to build up the community and the individual, and through them the whole country. Rural development eventually became a department under the Ministry of the Interior; however, in 1969 the previous government replaced "the rural community development" with provincial development departments within the Ministry of the Interior.

After the Revolution, the Republic of Afghanistan strongly emphasized the promotion of social and welfare activities in the country with special attention to rural areas through rural development. The government decided to restructure the Rural Development Department to look after planning and programmes. A village council was set up for the identification of village needs and then sent to the provincial level for inclusion in planning.

The programme has begun, and at the provincial level we are starting with the most remote areas of the country; those which are really underdeveloped and have a great need to receive help. In accordance with this policy, the Rural Development Department has in the past year established four centers in the four provinces of Badakh Shan, Gul Ran in Herat, Katawas in Ghazni, and Ghorband in Perwan. These have already started development programmes such as the construction of culverts, bridges, feeder roads, dams, etc.

For the speedy and proper implementation of its integrated rural development programme, the government has set up the following high powered committees:-

I. The high council at the central level for rural development programmes has the Prime Minister as chairman and the following as members:

1. Vice Prime Minister;
2. Minister of Agriculture and Irrigation;
3. Minister of Industries;
4. Minister of Education;
5. Minister of Public Health;
6. Minister of Planning.

This council is the co-ordinating and policy making body. The President of the Rural Development Department is a member and also serves as the secretary.

II. Inter-Departmental Co-ordinating Committee. This is made up of the representatives of ministries dealing in one way or another with the Rural Development Program. The President of the R.D.D. serves as Chairman. Its functions are:-

a) to review with the associated ministries their work in the rural development programme;

b) to recommend policies, programmes and budget to the High Council;

c) to serve as a general coordinating body for field activities.

III. A Provincial Rural Development Council. This Council is under the Inter-Departmental Coordinating Committee in each province. The council consists of the Governor as Chairman, the provincial Rural Development Director as executive secretary, and the provincial directors of functional departments as members. Functions of the council are:-

a) to plan;

b) to coordinate;

c) to integrate all the technical services of the provincial government in relation to the rural development programme;

d) to propagate the objectives of the programme;

e) to enlist popular support for rural development.

IV. Project Development Committee. These consist of the project officer, the technical subject officer in the project, village level workers, and the representatives of the village development councils. The functions of the committee are:

a) to discuss and prepare plans and programmes with priorities and targets within the budget for the project;

b) to review progress achieved and difficulties encountered in executing the programme; and

c) to deal with matters submitted by village development councils.

Method

Field operations are carried out in the Project Units; A project is staffed by the following personnel: 1 project officer, agricultural extension officer, 1 veterinian, 1 industrial cooperative officer, 1 education officer, 2 fundamental education organisers, 1 medical officer, 1 midwife and 4 auxiliary nurse midwives (if available), 1 compounder, 1 dresser, 1 vaccinator, 2 sanitarians, 1 mechanic and an adequate number of village workers.

The key functionary at the village level is the "multi-purpose village level worker". He serves as a catalyst for community self-help efforts and performs elementary tasks on behalf of the governmental technical departments which have insufficient technical personnel to render direct services to the villagers. These workers are trained by the R.D.D. and upon completion of training each is assigned to a group of five or more villages (depending upon the population, distance between the villages, accessibility, etc.) called "village developmental areas" or "village worker's circle".

To encourage village people to participate in initiating plans for local action and making an organised effort to carry out their own development programmes, Village Development Councils and other voluntary organisations are set up in the project units. In addition to the village worker who is in close and con-

stant touch with the people, subject-matter specialists from various ministries are stationed in the "Project Area". These subject-matter specialists belong to various ministries, but while working in the project units, they are paid by the R.D.D. Technically they are guided and controlled by their own departments, but administratively they are under the control and supervision of the project officer.

However, during the second stage of a project when the responsibility for maintaining institutional services is transferred to the appropriate technical ministry, these subject-matter specialists will no longer remain on the pay roll of R.D.D. and the project officer will no longer exercise administrative control and supervision over them. Thus in the second stage of a project, R.D.D. will only be responsible for the co-ordination of the programme.

Finally, there is the project officer, who is the head of a team consisting of subject-matter specialists and the village level workers. Being in overall charge of the development project, his main responsibility is to ensure integrated and co-ordinated approach among the various field services.

APPROACHES TO RURAL DEVELOPMENT IN BANGLADESH

Khorshed Alam

Integrated rural development has been accepted as the answer to the multiple problems facing rural areas in Bangladesh. The development strategy for Bangladesh emphasizes the total development of the rural areas for a balanced and domestically oriented growth. The large and rapidly growing population of Bangladesh must, to the greatest extent possible, be held productively in the rural areas, both in agriculture itself and in non-agricultural rural activities.

In Bangladesh the institutional approach towards agricultural development began in 1885 with the establishment of a Department of Agriculture in this region. However, the present pattern of agricultural extension organisations was initiated in the 1940s when district level officers and union level agricultural workers were first introduced. The responsibility of this Department was to carry on agricultural extension work to promote the adoption of improved agricultural practices.

In 1904 the co-operative movement began as a Government-sponsored programme. It included a Provincial Co-operative Bank, a number of Central Banks and a large number of village co-operative societies. Their main function was to give farmers agricultural credit at cheap rates with a view to raising agricultural production. This was also intended to free the poor farmers from the clutches of the money-lenders. The experience with village co-operative societies was not rewarding as they were found to be too small to function as credit institutions. Therefore in 1949 Union Multipurpose Co-operative Societies were introduced in place of village co-operative societies. Though these were termed multipurpose societies, they continued to shoulder the single responsibility of dispensing short-term agricultural credit to their members.

With a view to ensuring popular participation in administration and local development a system of local government was introduced in 1885. It was charged with the responsibility of general welfare and local development activities. Although local government has endured, with modifications from time to time, it has few successes to its credit.

Thus up to the 1940s efforts to develop rural areas were confined to the government's agricultural extension work, credit dispensation through co-operative societies, and local development through a system of local government.

This was followed by a series of crash programmes to promote modern agricultural practices and aids, such as better seed, fertilizer and irrigation facilities. These crash programmes were undertaken in response to certain crises in the agricultural sector. They were not institutionalised and therefore, did not attain lasting success.

Between 1950 and 1960 a solution to self-sufficiency in agricultural production was sought. The technological solution to the problem emphasized immediate improvement of agricultural operations. The sociological solution emphasized community organisation.

In 1952 a National Community Development Programme known as Village Agricultural and Industrial Development (V-AID) was launched. This was more far-reaching than crash programmes. It promised more than a mere increase in yields. It intended to make villagers not only better producers, but better citizens, enlightened and co-operative.

Community development was the mantle of sociology. Its phraseology "felt needs", "motivation", "catalytic agents", "self-help", "participation", "group dynamics", etc. was sociological. And so also its vision of rural development. It saw disunity as a cause of poverty. It saw its remedy in community action. The agent of change, the village level worker, was inserted from outside to put an end to apathy and foster rural development.

The community crystallised into a village council. The village council took care of everything - schools, roads, drains, compost pits, marketing, etc. The change agent sought to arouse the spirit of self-help through constant motivation. Before the decade ended the Community Development approach was found as inadequate as the crash programmes in ending food shortages.

The V-AID worker continued to be viewed as an outside agent who might have sound, theoretical knowledge, but whom the villagers felt lacked local information. The simple-minded farmers would listen to him, but in actual agricultural operations they would rely on their age-old experience and traditions. Thus, the theory on which Community Development was based proved fallacious since it only led to the creation of a parallel village - level administration which also remained foreign to the village people. It then came to be appreciated that the village people could be properly approached and reached only through their own leaders and their own organisations, and the V-AID organisation was disbanded in 1959.

Simultaneously with the abandonment of the V-AID programme the Bangladesh Academy for Rural Development was established in 1959. The Academy began a series of pilot projects based on action research which led to the

evolution of a number of rural development programmes, and institutions like the Rural Works Programme, the Thana Irrigation Programme, the concept of Thana Training and Development Centres, the two-tier co-operative system and the Integrated Rural Development Programme. The RWP and TIP were to be implemented through the local government units at the thana and union levels under a system of decentralised planning and implementation. The Thana Training and Development Centres were evolved as a complex to accommodate the various nation-building departments at the thana level for the benefit of the village people.

The Rural Works Programme emphasized the building of a rural infrastructure in the form of roads and bridges, while the Thana Irrigation Programme included excavation and re-excavation of canals, embankments and cross-dams, for irrigation purposes. The Rural Works Programme and TIP were designed to create additional employment opportunities for the rural unemployed during the dry months of the year and also to generate additional rural income. These programmes are still continuing. In recent years greater emphasis has been laid on developing irrigation facilities under these programmes to help agricultural production.

For the agricultural production sector, the BARD evolved a two-tier co-operative system. The primary organisation is the Village Co-operative Society (KSS) and the supporting organisation is the Thana Central Co-operative Association (TCCA).

The village society makes production plans, assesses the need for input, ensures weekly savings, and undertakes the training of member farmers. The Thana Central Co-operative Association coordinates the production plans of the village societies, arranges input such as fertilizer, power pumps and tube-wells, and more importantly, organises the weekly training programmes for the model farmers and the managers of the primary societies at the Thana Training and Development Centres.

The first experiment was confined to Comilla Kotwali Thana. The experiment demonstrates its potentiality and in 1963 three new Thanas were taken up in Rangpur, Rajshani and Mymensingh districts. This was intended to test the replicability of the Comilla model. In 1965 seven more Thanas in the Comilla district were brought under this programme, and finally in 1968 the remaining 13 Thanas of the district were covered under the Comilla District Integrated Rural Development Programme (CDIRDP).

On favourable evaluation of this pilot experiment, the IRDP was approved as a national programme in late 1970. It was not until after the liberation that concrete steps for the replication of the Comilla model were taken throughout Bangladesh.

The IRDP is a scheme for replication of the Comilla model two-tier co-operatives on a national scale. It envisaged a primary Co-operative Society at the village level (KSS) and a Thana Central Co-operative Association (TCCA) as the supporting institution at the Thana level. The initial target is rapid agricultural growth, achieved by fully utilising the local, rural leadership through institutionalised co-operative methods. It would gradually extend its activities to the marketing of agricultural produce, mass education, rural housing, sanitation, electrification, etc.

The salient features of the IRDP are as follows:-

a) Organise the farmers into village co-operatives.

b) Ensure weekly meetings of farmer members with the model farmer acting as trainer.

c) Select model farmers and managers to receive weekly training on relevant issues at the Thana Training and Development Centres. The officers of the development departments such as Agriculture, Fishery, Livestock, Health & Family Planning act as trainers. The TCCA arranges essential services, supervised credit, training, agricultural extension, fertilizer and seed irrigation facilities, marketing, etc.

d) Develop the habit of thrift and savings in each participating member at the weekly meetings.

This co-operative model is superior to the earlier credit societies. The strong points in its favour are the weekly meetings, thrift and savings programme, training programme and timely supply of agricultural input. The credit operation of the older societies was not backed up by input supplies and extension work.

Evaluation of IRDP

Many achievements can be credited to the IRDP. 152 Thanas in Bangladesh have been brought under IRDP. A total number of more than 16,000 village societies have been organised with a membership of more than 450,000.

There has been substantial capital formation through share-purchase and savings. Supervised credit operation has been introduced. A supply of seeds, fertilizer and irrigation facilities have been ensured. A training and extension programme has been undertaken on a regular basis, and the farmers' representatives have been acting as effective extension agents. The institutional approach of the programme has been primarily responsible for such successes.

The IRDP has subjected itself to evaluation by independent organisations. The Planning Commission of Bangladesh and the SIDA/ILO have conducted two separate evaluations of the IRDP.

While conceding IRDP's role in increasing agricultural production through the better management of resources and a better extension system, both reports have pointed out deficiencies in this approach which are enumerated as follows:

a) Coverage of farmers in the village co-operatives has only been about 25%. This might have been due to the fact that the prime mover for these village co-operatives was the use of indivisible input in the form of power pumps and deep tube-wells for irrigation purposes, and that therefore, farmers not close to these facilities had no incentive in joining the societies.

b) The village co-operatives have been dominated by the comparatively large landowners and their management similarly controlled by the same group. The power structure in the rural areas seems to have been responsible for this.

c) It has been asserted that the benefits of all the subsidized inputs like fertilizer, power pumps, deep tube-wells and insecticides have accrued to the larger farmers at the cost of the smaller farmers. Departmental findings also confirm this point. Subsidy has, to a large extent, aggravated the situation since under a highly subsidized system the use of inputs tends to be less than optimum. The large farmers do not feel compelled to share the benefits of indivisible inputs in order to reduce costs. It has been found that though the irrigation coverage per two-cusec pump should have been 40-50 acres, the national average in Bangladesh has not been more than 25 acres.

d) The very small farmers and landless labourers have been omitted from this programme, an unfortunate fact not anticipated by the IRDP. To protect the interests of small farmers and landless labourers, the need exists for a separate institutional framework.

e) The programme is top-guided and top-financed. This impression is fostered due to a large Headquarter Office and the existence of 3 officials at the Thana level. It can be said, however, that gradually the elected committees of the TCCA's are taking over the management, whereas the Headquarter Office, besides laying down policy guidelines, is responsible for curricula development, the production

of training material and evaluation. This criticism of IRDP can at best be considered as an appraisal of the organisational structure. It is not a criticism of the basic philosophy of IRDP.

f) Training at the Thana level has become stereotyped. This charge can also be accepted as valid. The answer lies in the preparation of appropriate training material, and the wholehearted participation of various departmental officers at the Thana. Since rural development is a multi-agency operation, an institutional mechanism for co-ordination at different levels is a must.

Thus, while the deficiencies pointed out in different evaluation reports are worth taking note of, all are capable of being remedied. The only situation that might defy solution is that of including the very small farmers and the landless.

Some Problem Areas

Having discussed the IRDP and its evaluation at length, it is necessary to highlight some major problems which baffle solution. These are:

a) **Landless Labour**

About forty percent of the farmers in Bangladesh are landless or near-landless. This number increases every year. The question is, what can be done about these people. How can they benefit from co-operative societies when land is the collateral for credit? Various views have been expressed about this problem. One view is that with increasing HYV, increased use of fertilizer and irrigation water cultivation would be more intensive requiring more labour input. Secondly, some of the surplus labour would continue to be employed under the Rural Works Programme. Thirdly, this group could be given training in various skills such as mechanics, pump driving, tractor driving, tube-well sinking and provided with capital for running various services for the villagers. Some even think that landless labour should be organised into trade unions. They would then be in a position to bargain for wages in the Rural Works Programme as well as for field work on individual farms. There is yet another view according to which they should become members of the same village co-operatives, and should be eligible for credit using crops as collateral. The rest would run various services and would also work in the Rural Works Programme. The latter view seems to be more reasonable and feasible.

There is yet another difficulty connected with this problem: namely, how can small farmers and labourers participate in the leadership of these societies which in most cases is in the hands of large and surplus farmers? Obviously, the decisions of the co-operative societies are made in favour of the large land owner rather than the small farmer. The rural power structure heavily favours the large farmer. He has easy access both to the bureaucracy at the thana level and the local political leadership which mostly comes from middle-class families. He can, in many cases, read and write. He therefore reaps the maximum benefit from credit and subsidised inputs. To break the rural power structure would not be an easy job. The small farmers can, however, be given a much fairer deal. The managing committee for example, could be proportionately represented by the different classes.

b) **Participation of Women**

About fifty percent of the population are women. But at present they are not engaged in any economic or productive activity. The overwhelming majority of them are engaged in cooking, rearing children and other domestic work. Should they continue to do the same work? Is it not possible to bring them into the mainstream of productive and economic activities? These questions need very serious thought and consideration.

The IRDP has taken up a pilot project on women's co-operative and population programme. Nineteen thanas are to be covered in 3 years. Only a handful of villages in each thana is included. They are being formed into separate co-operatives. The effort is very inadequate and small and cannot have any appreciable impact. What is needed is a programme of massive scale and magnitude if the intention is to break the stagnation of centuries.

c) **Multiplicity of Societies and Financing Institutions**

There are many different types of societies within the same area. There are the old societies, the Union Multi-purpose Societies. There are IRDP-KSS, TIP-KSS and other non-IRDP KSS. The multiplicity of societies in the same area at times confuses the supervising officers, let alone ordinary illiterate farmers. This has also created administrative problems. The expansion of IRDP is vitally linked with this problem.

Similarly, there are multiple agencies working in the field of rural credit. There is the Jatiya Samabaya Bank (National Co-operative Bank) which is the apex of the old agricultural societies, the Union multipurpose being the primary society and the 62 Central Co-operative Banks being the secondary societies. The Jatiya Samabaya Bank (JSB) obtains money from the Bangladesh Bank on Government guarantee and lends to the 62 Central Banks who in their turn lend to the Union multipurpose and other primary societies (TIP-KSS and non-IRDP KSS). Each tier receives a percentage of the interest. The Co-operative Bank deals primarily with short-term crop loans. Secondly, there is the Agricultural Development Bank (Krishi Bank) which also advances short term as well as long and medium term loans. Thirdly, the Government gives direct loans known as Taccavi during natural calamities and distress. Lastly, the IRDP has entered into an agreement with the Sonali Bank (a nationalised commercial bank) under which the bank meets the credit needs of TCCAs. Due to the existence of multiple agencies serving the same purpose, several problems have cropped up. Farmers and societies approach one or other of the sources for credit according to their convenience, flouting credit discipline. Repayment discipline can hardly be achieved in such a situation.

Conclusion

The problems of the rural areas are manifold and complex and their solution lies in an all-out attack on all problems simultaneously. The level of understanding of the people needs to be raised through formal and informal education and extension work. Popular participation is itself a process for development of skill in management. Balanced rural development requires the creation of additional physical infrastructure, i.e. irrigation and marketing facilities, roads, etc. as well as provision of credit, inputs and technology with regard to both agricultural and industrial activities in the rural areas of Bangladesh. Population planning must also be an integral part of integrated rural development.

Some say that it has become fashionable today to talk about integrated rural development. But it must be emphasized that a massive rural development programme is the crying need of all developing countries. Different developing countries are trying for rural development through different methods. If rural development poses a challenge, it is a challenge that must be faced.

STRATEGY AND GOAL OF RURAL DEVELOPMENT IN INDIA

P.S. Majumdar*

In the hierarchy of India's development goals, rural development commands a kind of priority directly and indirectly. This is inevitably so, for the ultimate objective of all development efforts is the well-being of the masses, the vast majority of whom live and work in the villages. In 1971 more than 80 percent of the population was classified as rural and according to the official plan projection this proportion is not likely to decline below 76 percent even after 1986 - 15 years from now. Thus the probable decline in the proportion of rural population in years to come will be only marginal. As a result, between 1971 and 1986 about 100 million more people are going to swell the villages. This is in spite of an anticipated substantial decline in the growth rate of the population, from a present level of above 2 percent to 1.67 percent in 1976-81 and 1.37 percent in 1981-86, dependent upon the envisaged fall in the birth rate. The importance of rural development may thus somewhat continue to dominate national imagery, transcending many other issues.

The basic problem that India has is the narrow conduit with which to siphon off the burgeoning population to the capital-starved, non-farm sector. On the other hand, there is no virgin land for the growing population to fall back upon. With about 50 percent of its geographical area already under cultivation, India is a country having one of the largest proportions of land under farming. Further, in a country of continental size, about 20 percent of India's geographical area is in hilly terrain and one-third of the rest subject to arid and semi-arid conditions with rainfall below 750 mm. Necessarily, a large proportion of sub-marginal land has already been brought under cultivation, while ecological imbalance, resulting from deforestation and soil denudation, has already assumed alarming proportions. Whereas between 1951 and 1961 the population grew by 18.8% and by 24.8% in the following decade, the growth in net cropped area during the corresponding periods was 12.2% and 5.8% respectively. The irrigated area is at present about 25 percent of what is cropped and even by maximum utilization of the ultimate potential for irrigation, the irrigated area can at best only be doubled. Meanwhile, the investment cost of irrigation is mounting, the area of comparatively lower cost having already been covered. The task, therefore, is to step up agricultural production and find a livelihood for a fast growing population within an inelastic land base having limited and high cost water resources.

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The problem of per capita land shrinkage, which is already acute, is all the more accentuated by the skewed distribution of land. The ownership of land became polarised during the previous century in favour of a land-owning class, giving rise to a large army of small and marginal farmers as well as an alarming number of landless agricultural labourers. According to one estimate, about 40% of the holdings are below one hectare and account for 6.8% of the cultivated land. On the other hand, 4% of the operational holdings above 10 hectares amount for about 30% of the land area. Further in 1971, there were about 47 million landless peasants representing almost 40% of the workers engaged in agriculture. Then there is the problem of sub-division and fragmentation of holdings serving as a veritable constraint to the sinking of irrigation wells or any measure of farm modernisation. Consolidation of holdings has so far had progress in a few regions. Equally if not more thwarting is the tenure system prevailing in some areas where because of the unfavourable man to land ratio the share-croppers are deprived of their legitimate share of the produce.

The growing population highlighted the pre-emptive compulsion for raising the production of food that accounts for more than 70% of cropped area. Necessarily, this has also been a continuing objective in the Development Plans one after another. The production of food grains, to be sure, nearly doubled between 1951-1971. But the population also increased during that period by 50%. In the earlier period, the main contribution to the growth in output was due to increase in area. During the 1950s area growth contributed almost two-thirds while one-third came from productivity. The situation tended to reach the stage where the limit of growth by traditional methods had almost been attained. Then came the episodal change in the form of a genetic breakthrough in varieties of grains. This was in the mid-sixties when the country also faced two successive years of unusual drought. This had also a silver lining in giving a fillip to the search for ground water. The number of private wells and tubewells increased from about 6 millions in 1968-69 to 9 millions in 1973-74. During this period, there was also phenomenal growth in the organised flow of credit in support of the high yielding varieties of cereals. Farm mechanisation also had a chance to develop in areas of rapid growth. Together these gave a kind of dramatic spurt to the increased production of food grains, particularly to that of wheat which increased from 12 million tonnes in 1964-65 to 26 million tonnes in 1971-72. The trend in increased production lasted for about 5 years after which there was a setback due to drought in 1972-73 followed by the energy crisis and the associated shortage and high price of fertilisers.

During the spell of rapid agricultural growth between 1967-68 and 1970-71, which India never before experienced, there came to the surface what was rather inevitable. This was the problem of growth with a very narrow base

that tended to bypass the areas with fewer natural endowments and the small and marginal farmers with inadequate resource bases. Thus a stage was reached when the need for twin goals came into sharp focus - the problem of increasing aggregate production and the problem of reducing poverty. It became increasingly clear that the problem of poverty arising out of inadequate means of production and unemployment cannot be tackled as a mere by-product of growth. It was not a question of doling out crumbs but one of sharing the expanding cake of growth with the 30% of society below the poverty line, the majority of whom are rural, the rest being largely outflow from the villages.

Consequently, as development goals in agriculture, the Fourth Plan sets forth two main objectives:

a) to provide the necessary conditions for a sustained increase in agricultural production; and

b) "to enable as large a section of rural population as possible including the small cultivator, the farmer in dry areas and the agricultural labour to participate in development and share its benefits".

Thus arose the task of augmenting production on the one hand and on the other, of integrating in the growth process all those who tended to be miserably left out.

The strategy adopted for stepping up production continues to be a general programme of extending irrigation, multiple cropping, promotion of High Yielding Varieties, use of fertiliser, plant protection and the support of research, credit, and supplies of inputs. This alone no longer seems to be adequate. There appears to be a need for endowment-oriented strategies and a package of complementary programmes in accordance with the resource base and the development potential. A rapid increase in production is thus envisaged through an integrated area development programme in the major and medium irrigation commands where the full potential of available irrigation water has to be translated speedily into additional production. If the national economy is to have sustained growth and the weaker section of the community is to be protected against price rise, food production is of paramount importance. Likewise the increased production of commercial crops is also vitally necessary for export and growing internal demand. Therefore, an all-out effort to increase the aggregate agricultural production, wherever possible, continues to be of supreme importance.

The problem of areas with relatively little natural endowment and of peasantry with an inadequate land base has to be attacked directly to remove critical constraints and induce the process of growth. The livelihood of such a large number of people in such a low income country cannot be expected to be improved by the 'fall-out' of growth or by such measures as 'transfer payments', but

only by enabling them to raise their own share of contribution in production. Latent resources must be given the spark for growth. An integrated area development programme is apace for the arid and semi-arid areas with the accent on programmes having a direct bearing on possible immunisation against the vagaries of weather, maximum use of water including water harvesting and inter-basin transfer of water, afforestation and development of grass land, livestock farming and a package of dry land technology for crop production. Likewise an integrated approach for the development of hill areas is under way with the emphasis on development of communication, horticulture, animal production and tourism. The problem of tribal areas is also similarly approached by means of a specially tailored programme including measures for the removal of ages old social and institutional exploitation.

A problem that seems to run through the entire cross section of rural India, as already mentioned, is that of the large number of farmers with either an inadequate or non-existent land base. A number of studies have indicated that the average yield in small farms is not necessarily poor and is often better than in bigger units, largely because of better personal care and management. Likewise the response of small farmers to size neutral technology is also not missing. Due to these reasons, the smaller units are capable of registering growth and turning viable with a marketable surplus, given the inputs, credit and technical know-how from the extension service. With this postulate, was introduced the small farmers projects. The programme includes the identification of about 30,000 small farmers in a project area and enables them to get credit and inputs, subsidies for irrigation wells (where feasible) or for undertaking small livestock units and supplies them with technical know-how. In this manner, by the end of the Fifth Plan, 26 million individual rural households will have been serviced and assisted in starting the process of growth.

Rural households with an inadequate land base are assisted to take up primarily livestock enterprises of cattle, poultry, piggery or sheep husbandry or a suitable mix depending on the resource situation and the market. For this purpose they are assisted with credit and subsidies to start a small viable unit and provide a base for progressive expansion of the same. The infrastructure for livestock development in the form of veterinary aid, supply of feed and marketing of produce is linked with the production programme in the project area.

The programme for tenant farmers includes, to begin with, the process of legislation and the recording of rights for security of tenancy. Where the tenure is secure, with the tenant likely to get his fair share of the produce, other assistances simultaneously flow in to improve his resource base.

At present a deliberate attempt is being made through appropriate policy directions to the Cooperative Banks to provide small farmers a just proportion of the total resources of farm credit. As a result farmers with less than 2 hectares of operational holdings are now getting about 30% of the total flow of short term credit from cooperative institutions. This is no doubt more than their share of land holdings but the per hectare credit need of smaller holdings is surely much greater than that of larger holdings. Hence, the government intends to raise this share to 40% during the period of the Fifth Plan. A new agency has been proposed called Farmers' Service Societies with the objective of providing in each of its areas of operation an integrated service to about 10,000 farm families and the small farmers in particular. Services to the farmers would include circulating and term credit, supplies of inputs and the marketing of produce. It might also include distribution of essential consumer goods for the express benefit of the poorer section of the community. It is intended that in these societies the small farmers would statutorily hold a sizeable majority in the board of management.

As regards agricultural labourers, the objective is to provide them with an increasing wage income through various rural works included in development plans. One State has introduced a programme for 'Guaranteed Employment' in the rural areas. Intensive agriculture based on HYV technology, no doubt, creates more employment. This is why there is evidence of a wage rise in areas of agricultural growth where there is also seasonal migration from depressed areas. But the wage rise has not always been commensurate with the rise in the consumers' price index with the result that the real income of agricultural labour does not seem to have paralleled the HYV prosperity otherwise visible. The Minimum Wages Act has been introduced specifying minimum wages for different types of farm operations in different regions. But the difficulty is one of enforcement in widely dispersed areas and the virtual absence of any semblance of collective bargaining. A suitable apparatus for enforcement is being contemplated but the difficulties are there. Various malpractices in the matter of the exploitation of attached labour, particularly in backward communities, are also being eradicated. There is also the problem of indebtedness amongst the backward communities in certain areas. The possibility of scaling down debts and giving debtors a new lease of life has not been ruled out. A programme has been continuing to provide home sites to the landless agricultural labourer.

Land reform measures are especially relevant in relation to agricultural labour and marginal farmers. Measures which have been taken include: lowering the land ceiling, the recording of tenancy, distribution of surplus land to the landless and enabling them to get the necessary wherewithal to farm it. About one million hectares of land is expected to be made available in the process and about 0.5 million hectares of such land has already been distributed.

A problem inherent in the rural-urban nexus is the migration of job-seeking rural folk to the cities. This creates very serious problems of environmental improvement in the slums. Necessarily, a sizeable slum improvement programme has been taken up from which about 3 million slum dwellers have benefited in the last two years of the Fourth Plan. The real answer to this problem is reducing the rural-urban imbalance and giving special attention to the depressed areas by various policy measures. One of the measures adopted is the dispersal of industries to identified backward areas in lieu of special incentives. Apart from the attempt to integrate the development of the agricultural and animal husbandry programme in such backward regions, there are also programmes for the promotion of rural and small scale industries.

In the Fifth Plan, a special programme has been initiated to provide a minimum of consumer needs in the rural areas. This includes providing facilities for elementary education near villages, ensuring a minimum level of public health facilities, including nutrition of children on the basis of an accepted norm, ensuring the drinking water supply in areas of chronic scarcity, providing roads to the villages on a particular scale, arranging home sites for the landless and spreading electrification to cover 30 to 40% of the rural areas. This is a programme of high priority necessary to correct regional imbalances on a national level.

In order to meet the requirements of the poor for certain essential commodities the production of selected mass consumption goods such as standard cloth is to be increased and made available through a public distribution system. The possibility of dual pricing some commodities so as to make them available to the poor at a price below the market rate is also under examination.

The objective set forth in the Draft Fifth Plan Document is to increase the average per capita consumption of the bottom 30% of the society from a present level of 13.45% to 18.85% by the end of the Plan through a variety of measures, some of which have been indicated. By and large, policy decisions are clear to give weightage in favour of the poor, most of whom are in the rural areas. But the basic question is the implementation of programmes giving such weightage in their favour which, in the context of the existing socio-institutional framework, is by no means an easy task. The problem is likely to find a solution, at least to begin with, in the current policy frame and the new approach of having special programmes for these classes of rural areas and people who by and large have been deprived of any significant benefits in the past from the general programmes of development.

NEW APPROACHES TO RURAL DEVELOPMENT IN INDIA - MANAGEMENT STRATEGY*

Planning in our country has attempted for a number of years now, to effect a balance between industrial growth and the development of rural areas. There is however a growing feeling that the promotion of industrial growth and development of infra-structure for agricultural development has been at the cost of an integrated rural development. One must, however, be cautious in defining rural development as the word carries different dimensions in different situations. Earlier attempts in this direction were in the form of a community development programme which sought to emphasize the need of an institutional framework which could provide production facilities and basic amenities to the rural population. Later developments led to the creation of the Panchayati Raj in which rural development implied democratic decentralisation and the creation of people institutions for the all round development of village communities. As recently as October 1971 the Task Force on integrated rural development set up by the Planning Commission equated this expression with the development of agriculture and allied sectors in the rural economy.

Growth with social justice dominates the present policies of development. It is not only to be seen in economic development plans and programmes but also in the field of social services as well. On the economic development side it was realised that inequitable distribution of benefits leads to the creation of social tensions. Therefore not only was there a need for the broader distribution of benefits among individuals but also for the equitable distribution of benefits through utilisation of resources in the less developed areas of the country. This move did not lose sight of the overall development goal which is to increase food production and to attain self-sufficiency primarily in the agricultural sector. Special programmes have therefore been structured around these objectives. Most important of these are small farmers' development programmes, and the tribal development schemes which are created primarily to look after the economic interests of the weaker sections of the rural population. For the development of the weaker areas of the country the Indian Government has launched special programmes such as the drought prone areas programme and the tribal areas development programme which will provide resources for lifting these areas out of stagnation into a productive economy. To cater to the needs of agricultural production, a massive programme of command area development is being launched to utilise the irrigation potential created under major river valley schemes.

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* This is a shortened and edited version of a paper of the same title submitted to the Seminar by the Department of Rural Development, Ministry of Agriculture.

In the social sector a fairly large programme of provision of minimum needs has been taken up which will ensure provision of basic amenities like health, education, sanitation, housing, rural communications, etc. to the rural populace. Recognising that women and children in the rural areas require special attention, an intensive programme for child development is being operated to ensure that young children receive adequate nutrition, and a similar programme has been set up for pregnant women and lactating mothers. The Ministry of Education has a very ambitious programme for adult education and functional literacy which will effect the much needed awareness in rural communities.

It may therefore be said that India is at present poised to take a leap towards rural development for the rural poor, and in this context the creation of rural institutions which would cater to the needs of development on an integrated basis becomes therefore a very important and crucial issue. Economic development programmes in the agricultural sector have started looking into the management forms required for this new approach.

The New Programmes

It has already been mentioned that earlier experiences in rural development had led to the creation of regional imbalances, apart from promoting a class of well-to-do at the cost of the weaker sections of the rural community. The Fourth Plan recognised the need to remedy this imbalance, and several special programmes were born. These are primarily designed to promote economic development through the development of agriculture and allied sectors, a base which is more broad than that of C.D. or IADP. These are primarily area development projects having a definite slant towards the weaker sections.

(1) SFDA: At the insistence of the Planning Commission a number of specific studies were carried out with the object of identifying the more significant handicaps of small farmers in different areas. These studies have unearthed certain material which in turn has helped in the formulation of programmes for small farmers/marginal farmers in the IV Plan. The following general points emerged from the various studies:-

a) The new technology which emphasizes intensive agriculture is not biased against the small farmer merely because of the size of his holdings, provided he has access to the resources which will enable him to take advantage of the new technology. The real problem arises from the fact that adequate resources are not available to him on the basis of the kind of profit he can make using traditional technology, and resources from institutions are generally not available to him.

b) The administrative machinery is in general not designed so as to direct attention to the handicaps of small farmers. Nor is there any established routine of either investigation or evaluation of either the problems of small farmers or of programmes for their benefit.

c) The infrastructure is inadequate in many areas, and particularly so in the relatively backward districts and tribal areas. The solution for general economic development in such areas, e.g. rural communications, market centres, etc., will in part be the solution for subsistence agriculture for small farmers.

d) The institutional deficiencies are remediable and with appropriate changes in the procedures of existing financial institutions it should be possible for small farmers to get credit support.

e) Such a supervised credit programme with the emphasis on intensive agriculture supplemented where necessary by dairying should benefit a significant proportion of the small farmers even in areas of infertile soil and low rainfall. Case studies have shown that small farmers increasingly rely on dairying; this enterprise could be put on a stable footing if institutionally supported.

f) However, the very small farmer together with the broad category of the dry farmer, presents a major problem of economic rehabilitation particularly in the poorer districts where opportunities for employment in agriculture are limited, and where consequently, the real need is for undertaking a large rural works programme.

Two schemes of Small Farmers' Development Agencies (SFDA) and Marginal Farmers and Agricultural Labourers Development (MFAL) were introduced as a pilot experiment in 87 project areas during the Fourth Five Year Plan, to find institutional solutions to the problems of the potentially viable and non-viable cultivators. Most of the 46 SFDA and 41 MFAL projects started functioning at the field level starting in 1971-72. They are to continue till 1975-76 to complete a five year project period. The SFDAs and MFAL agencies are corporate bodies registered under the Societies Registration Act. The head of the local Development Department in the District, like the Collector or the Deputy Commissioner, is the Chairman of the Agency. Its members include district level officials of various developmental departments, representatives of the cooperative institutions and two non-officials, preferably from among the participating farmers. An additional non-official from among participants belonging to a scheduled caste is a special invitee. A representative of the Government of India attends as a perma-

nent invitee. The local MLAs and MPs are also invited by the agencies whenever they hold General Body meetings so that they are associated with these programmes and can offer their advice to the agencies.

(2) Tribal Area Development:

a) The development of backward classes and backward areas has received special emphasis during the Plan periods. India has a tribal population of about 4 crores, mostly living below the poverty line. Age-old social and cultural handicaps coupled with environmental factors have significantly contributed towards their low living conditions. The Constitution of India enjoins that special care should be taken to promote the educational and economic interests of the weaker sections of the people and in particular of the scheduled castes and scheduled tribes in order to protect them from social injustice and all forms of exploitation. Accordingly, various Tribal Development Schemes have been undertaken from time to time under the previous Five Year Plans. The Community Development Blocks, the Tribal Development Blocks, the Tribal Development Agencies and the proposed Integrated Tribal Development projects are the different organizational steps which have been taken to ameliorate the economic conditions of the tribal people living in the backward regions of the country.

b) Considering the widely differing levels of tribal development in different parts of the country, the programmes of development in T.D. Blocks were more intensive in character than those undertaken in the normal C.D. Blocks. The intensification was brought about in two ways - firstly, by allocating extra outlays in addition to those for normal C.D. Block programmes and secondly, by limiting the population coverage to only 25,000 which is one-and-a-half times less than that of the C.D. Block (66,000).

c) In actual practice, however, the Tribal Development Blocks scheme revealed certain limitations. First, the T.D. Block with a population of 25,000 was found to be too small and not viable enough to carry to the tribal areas the various schemes essential for their full development. Secondly, the fragmented approach currently adopted does not leave scope for the full benefits of different development programmes to reach the tribal people. Further, the topographical areas where 50% or more of the population is tribal are generally inaccessible due to hilly terrain, deep

forests and lack of communication. It was, therefore, proposed that while the T.D. Block might be retained for purposes of local development, the concept of larger area development might be brought in during the Fourth Plan.

d) Accordingly, a special programme of Tribal Development Agencies (TDA) was initiated on a pilot basis in selected tribal areas of the country during the second half of the Fourth Five Year Plan. The programme for the tribals, particularly the economic aspects which constitute the core of the programme, has been conceived on the lines of the Small Farmers and Marginal Farmers programmes tailored to the special needs of the tribal areas. The programmes are being executed through Tribal Development Agencies registered under the Societies Registration Act, 1860, and located in the States of Andhra Pradesh, Bihar, Madhya Pradesh and Orissa.

e) The T.D.A. is an advancement from the concept of "extension" and "welfare", to the concept of "investment" and "development". The individual tribal farmers, for the most part producing only the subsistence level of existence for the tribal family, are now proposed to be developed on commercial lines so that the production efforts may result in definite economic improvement in the status of the tribal farming families and may lead to their eventual viability free from exploitation.

(3) **Hill Area Development:**

The approach to development in the two Hill Area Development Projects in the Central Sector embodies the experiences of the original Community Development, later Intensive Agricultural District Programme, and Integrated Agricultural Development approach in the Mandi * type of project, both in its contents and the organisational pattern. In the formulation of a suitable strategy of development in both these projects, the experience of the Mandi type of projects has been the guiding factor because of the relevance to hill areas.

The main philosophy and the objective of these projects is the removal of inter-regional and intra-regional disparities by way of an integrated approach combining in itself the major economic development programmes in agriculture

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* An Indo-German Project.

and allied fields, as also the building up of the basic infrastructural facilities in the fields of communications, irrigation, land development, processing, marketing, etc. The project organisation backed by an effective Extension Agency at the field level (as in the C.D. pattern) is in charge of implementing the schemes.

The success of even this approach to rural development depends upon the removal of three basic constraints which have limited the success of the C.D. approach:

1) Institutional reforms specially relating to land reforms. Slow progress in this regard appears to be the reason for the reinforcement of the traditional social structure centering around the land owning class. This also is responsible for limiting the realisation of the green revolution's full potential.

2) Planning at the local level still lacks the full involvement of local communities and local resources. Democratic decentralisation which was hoped to offer a solution to this has not made any valuable contribution in this regard.

3) The extension organisation at the block level has not witnessed any great qualitative improvement in relation to the challenging tasks arising from the new technology in agriculture and allied fields.

4) Command Area Development: Irrigation potential created with the completion of major and medium irrigation schemes is expected to rise to 21.4 million hectares by the end of the Fourth Plan period. An additional potential of about 6.2 million hectares is likely to be created during the Fifth Plan period. Until the end of the Fourth Plan period, the level of actual utilization of irrigation potential is expected to be 19.6 million hectares. The anticipated large public sector investment of about Rs. 3,000 crores in major and medium irrigation projects by the end of the Fourth Plan highlights the need for the optimum utilisation of the irrigation potential. It has so far not been possible for farmers to maximise the advantages of such facilities because of the non-availability of assured and regular supplies in certain irrigation systems. These need urgent attention.

It is now fully accepted that an integrated area development approach should be adopted in dealing with all these points in order to ensure optimum production. This matter came up for consideration before the Irrigation Commission and was also dealt with by the National Commission on Agriculture which

came to the conclusion that more coordinated work must be done by the Departments of Irrigation, Soils and Agriculture to make the best use of the irrigation system with its modernisation and the adjustment of cropping patterns to the soil and agro-climatic conditions of the command areas.

Integrated area development requires detailed action, cooperation and support from credit and service organisations in several disciplines like irrigation, soil conservation and agricultural extension. Whereas in small irrigation projects covering a few hundred acres or a thousand acres, it may be possible for a coordinating machinery and certain well laid principles to tackle these problems, in major irrigation commands covering districts and even divisions in the country, the operations become huge, unwieldy and as complicated as operations in a large modern industry. In such a situation, a mere coordinating agency may not be able to bring about cohesion at various levels of operation in the various disciplines to enable a package of action at the field level. The organisation capable of tackling this problem will have to be a unified agency with a centre of direction and radiating organisations in the various disciplines up to the field level, with inter-locking coordinating functions at various levels of operation. The various levels at which coordination is expected must also be given sufficient decentralised powers to enable them to act quickly without serious loss of time and opportunity. The need for quick decision-making and quick operationalisation also necessitates the decentralisation of Government authority, both administrative and financial in the various disciplines to the central direction organisation. Such an organisation must also be in a position to actively support and develop the ancilliary requirements of agricultural development in the nature of markets and communications and processing industries.

Furthermore, there are other programmes essential for facilitating the effective and efficient exploitation of the irrigation potential created in the command areas. Such programmes include the fixing and enforcing of suitable cropping patterns; the strengthening of extension training and demonstration; planning and ensuring the supply of input such as credit, seeds, fertilisers, pesticides, etc., marketing and processing facilities and necessary communications, etc.

The need for an inter-disciplinary authority with a direct line of command concerning the Departments of Irrigation, Agriculture Soil Conservation and Cooperation has been acknowledged by all States. It is felt that such an authority should have as its head a full-time administrator vested with the powers of the Head of the above Departments. Each of these Departments should have an officer of the rank of a Joint Head of Departments for the Command Area. There should be a separate allocation of funds for all relevant schemes to be executed in the command areas. A Board should also be set up for each command area with non-official representatives in order to supervise the preparation of various programmes and to ensure their implementation by removing bottlenecks and periodic reviews of their progress.

Drought Prone Areas Programme

Droughts are a recurring factor in the Indian agricultural system, and some areas are more affected than others. Nearly 19% of the country's total land area is habitually affected by lack of waterfall. The only remedy available was to provide large financial resources for relief through rural works, which provided capacity to the stricken population. The Fourth Plan recognised that this was a constant drain on the economy and consequently initiated a special programme of Rural Works. The under-lying idea was that these works, apart from providing much needed relief, would also help in creating durable assets on which further development would be possible. During mid-term appraisal it was realised that rural works in situ would not result in the development of these areas.

The Fifth Plan places its emphasis on utilising, in an optimum manner, the areas' land and water resources. A comprehensive development programme is, therefore, now being attempted in 74 odd districts of the country. Development is projected on the basis of a careful assessment of resources available in the populace, area, land, water, and cattle. Consequently, programmes involving afforestation, pasture, soil and moisture, conservation and irrigation are being taken up as infrastructural works. Based on these are programmes of dry-land farming, livestock development, etc., to form a comprehensive use of activities. The programme has two objectives: (a) development of the area, and (b) special emphasis on the weaker sections.

The Fifth Plan DPAP, in a way, is a complete departure from its predecessors. Instead of being a collection of schemes, the emphasis in the Fifth Plan is on integrated rural development in all sectors. To achieve this, district planning has been conceived as a very important vehicle in linking up various sectoral development projects cogently and within a well defined frame of action for optimum utilisation of land and water as a resource. This requires a more dynamic organisational set-up than the conventional implementation of the programme through departmental agencies. In addition, an intensive programme of development whether it be in the agriculture sector, livestock, or irrigation, etc. requires very thorough coordination not only in terms of planning but also in implementation to ensure an integrated approach. A cursory analysis of the district administration in relation to DPAP has shown that the elements of coordination and review had a very minor impact on the strategy of development suited to a particular land and resource situation. District Development Agencies with direct flow of funds from the Centre and the State Governments and a delegation and decentralisation of powers in the decision making process are being set up for the drought prone districts under the Chairmanship of the District Collector. These will generally be registered societies under the Registration Act. Tamil Nadu has, however, gone a step further to achieve an even more innovative management system at the district level. It has designed a statutory district development corporation under the Com-

pany's Act charged with the responsibility for acting as a catalyst for the development of drought prone areas. These agencies will operate through the existing departments, will have a small nucleus staff of its own and enjoy wider financial and operational flexibility. In terms of operational functions, the agencies will be involved in:

1) planning,
2) evaluation,
3) generation of resources – only in the case of statutory bodies as envisaged by Tamil Nadu,
4) price and market support,
5) coordination, and
6) monitoring.

New Approaches to Management

The rationale for new programmes has been underlined. It is hoped that through them will emerge a new deal for the rural poor, one of the basic objectives in the definition of rural development as given earlier. One common feature of these programmes, apart from the rural poor, is that new management systems are also being devised under each.

"Why new management forms?" is a question one might ask. Experience has shown that the existing structures which are loosely formed have not very often been able to guarantee development programmes in a district, design economically viable production plans, raise adequate finances, or safeguard and promote the interests of the 'Rural poor' and weaker sections, the last of these being the crux of our national policy of 'Growth with Social Justice'. In fact, coordination is mostly a matter of personalities and not the result of any system designed for effective linkage between various development sectors.

The basic fact to be recognised is that many investment decisions presently being taken at all rural levels are based upon a very inadequate understanding of the needs of a district, and experience has shown that this has, many a time, resulted in the misapplication of manpower, material, financial and organisational resources, or in the non-optimum utilisation of resource potential. District planning is assuming a certain amount of importance in the country today. But a plan by itself will not lead to an increase in production or the generation of resources. It is the administrative structure which makes the plan move, and it is this administrative structure which is, as presently structured, not in a position to provide quick decision making at the levels required, or to generate resources to complete and fulfil plan ambitions. So arises the need for a new look at the management systems.

Another cornerstone of the definition of 'rural development' quoted earlier, is the participation of the rural poor in the decision making process. Membership of different management bodies per se will not lead to meaningful participation, unless the rural poor are economically more confident of their rights. A beginning has therefore been made to improve their economic status and at the same time, place them as representatives in all management organisations. Eventually such membership will create opportunities for participation. The major impact however is likely to arise through participation in institutions which have a direct bearing on their day to day production needs. The farmers service societies will provide a more direct and intimate forum for educating small farmers in the participation process.

In pursuance of the recommendations made by the National Commission on Agriculture, a significant experiment is being made during the Fifth Plan namely the organisation of farmers' service societies. The membership of these societies is open to cultivators within a compact area having a population of 10,000. For the purpose of management and involvement of the less privileged sections, two-thirds of the membership on the Board of Management is accorded to the small and marginal farmers. These societies aim at providing integrated credit and ancillary services to the small and marginal farmers. The commercial banks take into consideration the requirements of financing the farmers' service societies to ensure the fullest coordination between the banks and the cooperative structure for the purpose of facilitating the flow of agricultural credit through institutional courses.

To conclude, rural development in India is facing new challenges; earlier experiments have had some results, but at the cost of the weaker segments of society. Special emphasis is therefore sought to be laid on the economic development of the less privileged and the poorer areas of the country. Integrated rural development, broad based to include social services, will have to carry on the way it is proceeding now. Economic development is paramount; a rise in income will create more consumer demands, which will ultimately create opportunities for improving the quality of life of the rural poor.

RURAL DEVELOPMENT IN INDONESIA

Rural Development and Government

Rural development is the main task of the Department of Home Affairs which provides the coordination necessary for the success of rural development programs. Operationally rural development activities cover sectoral activities which are the responsibility of several government agencies having technical and operational activities in rural areas.

The Department of Home Affairs as a government agency performs a part of all these activities of government agencies i.e. directing, setting up policy, establishing operational patterns, objectives, stage of fulfilment, targeting of village development and synchronizing programs in the field of rural development. Since the Department of Home Affairs has the apparatus at the Central Government level, Province level, District (Kabupaten) level, Sub-District (Kecamatan) level and Village (Desa) level, it has a territorial-grip and apparatus-grip, so that it guarantees the fulfilment of rural development policy, as the line-function from the Minister down to the Head of the Village is already determined.

Rural Development in the Frame of PELITA (National Five Year Plan)

1) Objective

PELITA II (The Second Five Year Plan 1974/1975 - 1978/1979) is designed to continue and improve upon the programme of PELITA I (The First Five Year Plan). There is no change in the basic view of development in rural areas.

The purpose of a long-term programme is to lay a strong and healthy foundation for national growth and development so that in the future, the rural community is able to carry out development under its own initiative. The rural people must develop their villages as these lie at the heart of the economy, politics, social-culture and national security. The process of rural growth and development is implemented through the phases of Desa Swadaya (traditional village), Desa-Swakarya (transitional village) and Desa Swasembada (Developing Village). By passing through these phases, Desa Pancasila (the final goal of long term is reached).

2) Conditions and Problems

a) The imbalance between population and agricultural land in some rural areas has resulted in a very small percentage of land holders and most of the farmers have become land workers. This condition has limited the possibility of enlarging the agricultural sector though there is good infrastructure on communication and irrigation.

b) There are still possibilities of extending new agricultural land through the extensification programme and raising production efforts. The need for manpower in some rural areas is very urgent.

c) There are still some dispersed and isolated groups of society who practise shifting cultivation. Their production is very low.

d) In general, the income of people living along the coast is lower than that of the rural people; this is due to the infrastructure of production, marketing and credit institutions.

e) The low income of the rural people strongly affects the standards of education and health. Lack of education makes it difficult for them to accept new technology, a very important element in the process of development. In addition, facilities such as clinics and health centres, rural housing and drinking water are still inadequate.

f) The variety of organisational structures in Indonesia's administration also makes it difficult for the government to carry out development programs.

3) Policy and Operational Plan

Rural development is implemented within the framework of national development and the main goal is to build a strong base so that the rural people can grow and develop under their own strength. Rural development ought to be carried out by means of harmonious work between the government and the rural people. The government has the responsibility to lead, to set the goal and to supervise either technically, financially or materially; its principal aim is to promote community self-help activities so that villages will be able to stand on their own feet through the phases of Desa Swadaya, Desa-Swakarya and Desa Swasembada. The government also arranges for rural credit to assist the farmers, small merchants, fishermen and business.

The implementation of rural credit is handled by Bank Rakyat Indonesia (Village Unit), the amount of loans varying from Rp. 100.000 - Rp. 25.000; the maximum loan is Rp. 100.000.

Based on the above mentioned, the operational work of PELITA II in rural areas will be as follows:

1) To establish and to enlarge work opportunities in the agricultural sector, light industry and handicrafts;

2) To increase the agricultural production and to arrange a diversification programme of food production. The agricultural sector, including forestry, fishery and poultry are also urgently intensified.

3) To develop and to extend the Development Working Unit covering all activities undertaken by the various government agencies and by the community as well.

4) To extend the network of rural infrastructure in production, communication, marketing and social life.

5) To promote rural health facilities, such as community health centres, the supply of drinking water and sanitary facilities.

6) To develop the most backward villages and rural areas.

7) To spread out the population and manpower through a transmigration project and to intensify the family planning programs.

8) To arrange resettlement and local transmigration.

9) To motivate the participation of the rural community through Village Social Committees (LSD) and to encourage community welfare.

10) To raise the technical know-how of the rural people through education and training, and to change their mental attitude.

The implementation of this policy and operational work, including all kinds of rural development aspects needs to be well coordinated and synchronized.

4) The Implementation Program

The implementation program of rural development in PELITA II has the following objectives:

a) To conduct intensive research on rural potentials within the framework of regional development, transfer new technology to the village, and study land use planning.

b) To raise the welfare and standard of living of communities whose lives are isolated, dispersed and nomadic; this is the primary purpose of establishing village resettlement.

c) To motivate and to raise the spirit of gotong-royong and the participation of the community. The government hopes to:

raise their capability and education;

upgrade rural administration;

motivate rural institutions through the Village Social Committee;

raise rural economic activities by intensifying the Board of Village Unit Activity and Village Cooperative Unit.

d) To motivate and to guide the spirit of Swadaya gotong-royong to achieve its purpose in improving the infrastructures of production, communication, marketing, social welfare, etc.

e) To provide the Development Working Unit with a system to accelerate progress towards Desa Swasembada. Its activities cover gathering data, setting up planning program, coordinating Government agencies in Kacamatan level and providing guidance.

Development Working Unit (UNKP)

In pursuing the basic principles of development using a regional approach, the following may be observed:

1) Each development area consists of two sub-areas: the urban, constituting the development centre, and the rural, constituting the hinterland of the first. The mutual relations between rural and urban areas constitute the key to the development of the area concerned.

2) Smaller development centres tend to orientate themselves towards greater ones, thus bringing about a stratified conformation.

3) The extent of a development area is directly proportionate to the condition of the existing communication system and urban facilities, and inversely proportionate to the limiting natural conditions.

Due to the fact that the Kacamatan form the lowest territorial units, the Kacamatan should obviously be made the centres of village growth and be designated Development Working Units (UNKP).

These Working Units would essentially be a system of rural development implementation conceived to accelerate rural development from Desa Swadaya to Desa Swakarya to Desa Swasembada.

In the context of the foregoing, the basic considerations in creating these Development Working Units are as follows:

1) Rural development is carried out to meet the needs of more than one village;

2) Rural development is an integral part of both regional and national development; the Kacamatan are conceived of as the smallest development areas;

3) Maximum rural development output is not feasible without growth centres such as the Kacamatan where adequate facilities are available to develop the villages.

Available in these growth centres are the facilities extended by the Puskesmas (Public Health Centres), primary and secondary schools, markets, etc. Rural areas on the other hand form the agricultural production areas, providing raw material, manpower and the like. Both areas are thus interdependent and complementary. Consequently, Kacamatan territories constitute the smallest development areas in Indonesia.

As Development Working Units, the Kacamatan, totalling 3,277, are presently at simultaneous levels in the organizational structure and have uniform organs as well, which is not the case with villages, totalling 58,164, which are in different stages of development and growth. The most simple means leading to effective rural growth and development would therefore be to utilize these Development Working Units.

Development planning and implementation carried out by the Department Working Units would cover all activities undertaken by the various Government agencies and by the community as well. The work involved should be effectively coordinated at Provincial, Kabupaten/Kotamadya and Kacamatan levels. The operations of the Development Working Units would therefore be directed toward the promotion of mutual-help and Swadaya system of the community. This would in turn bring about active participation by the community in the development process, and enhance self confidence.

This would imply that by jointly working on a cooperative basis, community members would be enabled to gradually and successively raise their living standards.

In promoting self confidence, it is essential to select only those development projects which can yield discernable results in raising the living standard of the community, without unnecessarily neglecting long-term development plans.

The REPELITA includes the following village development projects which are also being administered at the Kacamatan level:

- Rural Development Air Programs;
- Village Social Committees;
- BUTSI Volunteers Assignment Programs;
- Off-campus Teaching Programs;
- New Style Labour Intensive Programs;
- BIMAS/INMAS (Mass Guidance/Mass Intensification) Programs;
- Sub-post office Projects;
- Elementary School Projects;
- Family Planning Programs;
- Puskesmas (Public Health Centres) Service;
- Village Housing Rehabilitation Projects; and
- Others.

These programs should obviously be developed in a coordinated way and implemented as effectively and efficiently as possible.

Not all the Kacamatans would however be in a position to carry out these programs at the same time. Selected Kacamatans would therefore be converted into Development Working Units.

REPELITA II outlines which Kacamatan in each Kabupaten will be designated as Development Working Units. The suggestions on this matter are submitted by the Bupati/Mayor concerned to the respective Governors. The RAPPEDA (Regional Development Planning Body) of the Province would thereby play a very important role indeed.

In the operations of the Development Working Units, the Department of Home Affairs is thus clearly performing various development functions such as planning, coordination and laboratory work. In exercising integrated planning, the Development Working Units are engaged in such activities as:

a) surveys on the physical, social, cultural and economic conditions of the community, as well as on community appreciation;

b) synchronization of development programs carried out in the area;

c) preparation of physical (village planning), social and economic development plans;

d) preparation of implementation programs;

As to the functions of coordinating, the following activities are carried out by the Development Working Units:

a) coordination of existing development programs;

b) operational control;

c) evaluation of program implementation.

BASIC COUNTRY REPORT – IRAN

N. Khatibi

Some of the major programs implemented to raise the socio-economic standards of Iran's rural population are briefly discussed as follows:

1. Rural Cooperatives

The introduction of rural cooperatives has come to form an essential part of the Government's overall development policy. As far back as 1961, it was felt that those who work the land should be assisted through the creation of rural cooperatives or development organisations. The rural cooperatives should not merely perform the functions formerly reserved for landlords, they should do far more for, with more care and less bias, they could provide all the help and assistance needed to assemble the means available for the advancement of agriculture in our villages.

In the first chapter of Iran's esteemed document "The White Revolution", it is declared that "What is of utmost importance in all our programmes, is the expansion of rural cooperative unions. Without these cooperatives, there would be no possibility of doing something truly positive and useful for the new farmer-owners. Therefore, and in step with the application of the Land Reform Programme, we should create numerous rural cooperative unions with the help and participation of the farmers themselves".

For this purpose and at the same time as a phase of the Land Reform Programme, steps were taken for the formation of a great number of cooperative unions. These unions were to help farmers who had become owners of land and were formed by the farmers themselves. The cooperative movement enjoys the full support of the government. A wide-scale campaign has been initiated for a cooperative system in all aspects of the lives of the people, particularly in the rural regions.

In conjunction with the implementation of progressive programmes of land reform, the Central Organisation for Rural Cooperatives (CORC) was set up in 1973 as a subsidiary body of the Ministry of Land Reform and Rural Cooperatives and remained under the Ministry when it was redesignated as the Ministry of Cooperation and Rural Affairs. Its aims and functions are as follows:

a) To introduce cooperative systems in rural areas;

b) To train cooperative staff and to introduce farmers to the principles and systems of cooperatives;

c) To conduct marketing research for sale of products of cooperative members;

d) To grant loans to cooperative societies and unions.

The CORC is administered by a board of directors, with a total of 2,220 supervisors and their assistants who cooperate with the farmers to insure the proper administration of cooperative societies. About four thousand cooperative stores have also been set up to benefit the rural population.

So far, 2,806 cooperative societies with a total membership of 2.4 million, a combined capital of 4,094,051,100 Rials and legal reserves of 1,428,734,155 Rials have been formed to cover 42,267 villages throughout the country. 2,774 of these cooperatives with a total membership of 2,302,800 have joined to form 134 cooperative unions with a total capital of 2,190,300,000 Rials.

According to the statutes, these cooperative societies function as a multi-purpose system, their most important function being to grant credit facilities. In addition to granting loans to farmer members, the societies distribute chemical fertilizers, insecticides for pest control, wheat seeds, etc. and assist farmers in operating deep and medium wells. Most societies have also set up stores for supplying consumer goods to the farmers.

The rural cooperative unions were, furthermore, active in handling and marketing agricultural products. Items such as rice and cereals were marketed regularly. In its dual role as a consumer and producer association, the cooperative system has, through a network of cooperative stores, assisted farmers in the supply and distribution of consumer goods. So far, over a million litres of oil products have been distributed by the cooperative societies at fixed prices to farmers. This has reduced the cost of living in many regions.

Realizing that the cooperatives would be unable to launch major local development and crop investment projects themselves, the Government decided to provide them with adequate funds. The Agricultural Cooperative Bank functions as the banking authority for rural cooperatives and farmers. The loans and credits issued by the bank to the farmers are effected under the supervision and guidance of the supervisors of the cooperative areas.

Cooperative educational efforts have intensified on a large scale. Universities have collaborated in organizing training courses for secondary school graduates studying to become supervisors of cooperative societies. A special course

devised for training the professional managing directors of the cooperative societies, was also worked out with the assistance of the Imperial Army. The procedure is such that some village youths who are drafted for military service, are selected for a three month training period in cooperatives. They then perform the rest of their military service in rural cooperative societies. Training courses are set up every year in various provincial towns to teach office routine, commerce and cooperative accounting systems to managing directors. Managing directors of cooperative unions are also elected and sent to the Business College. In addition, educational training is also provided in the form of two bi-weekly papers, circulated free of charge to newly literate farmers, and the broadcasting of special radio and closed circuit television programmes.

The cooperatives also promote non-agricultural activities, rural integration and production on a cooperative footing.

2. Rural Cultural Houses

In September, 1968 the National Association of Rural Cultural Houses was established. These cultural houses are intended to serve as centres in which rural people can learn about Iran's cultural heritage, the many problems of our era and the principles of social discipline and cooperation. They are also to provide facilities for the cultural pursuits of the new owner-farmers. They proved an instant success with the farmers and an increasing number of such centres have been set up.

By the end of July, 1973 a total of 1,000 rural cultural houses had come into being, chiefly through funds donated voluntarily by community leaders and other local notables. These benefit a membership of 200,000 people, and through them a total population of 2,066,856 persons. Additional centres are being considered or are in the process of being set up, and the final target is to have a cultural house within reach of every farmer.

3. Rural Reforms

Land redistribution has served as the physical beginning for the Land Reform Programme. Provision has necessarily been made for the improvement of farming skills and methods, for the extension of credit, for the development of marketing means and techniques, and for the promotion of non-agricultural activities in order to strengthen the rural economy.

From the inception of the Land Reform Programme, the need has been increasingly felt for systematic appraisal of the socio-economic impact of the Programme with a view to introducing corrective measures into the process of the Programme and to project for future operations.

4. Rural Social Insurance

The next step taken by the Government was to create a social insurance scheme, ultimately intended to cover the entire rural population. A bill was passed by Parliament giving the Ministry of Cooperation and Rural Affairs a period of five years in which to carry out the experiment. Under this act, priority is given to farmers who have become, or are to become, owners of their traditional "nasaq" share of the land. The insurance scheme is fully comprehensive covering the entire family against accidents, occupational hazards, sickness, disability and death. The Ministry of Social Welfare is now responsible for all insurance programmes even for the rural areas. At the same time, the act of Parliament has made the introduction of insurance schemes in each region subject to the prior approval of the Cabinet.

Obviously, for both physical and financial reasons, such an ambitious programme cannot be completed overnight. Finances are not the only problems. Difficulties are numerous; for instance, there is an acute shortage of physicians and nurses as well as hospitals, clinics and medical equipment in the villages. For the time being, as the first phase of the project, the farmers are provided with medical treatment only.

The system is to be introduced gradually, making use of the rural cooperatives. Each farmer can insure himself and his dependants for no more than one Rial a day. So far, only 400,000 villagers have been covered by the programme but it is hoped that in the not too distant future the entire rural population will be insured. Later, it is planned to use funds belonging to the Agricultural Cooperative Bank for the purpose of expanding the insurance scheme.

5. Farm Corporations

The formation of farm corporations is a recent development which is bound to change the socio-economic structure of the country and the nature of its agriculture.

A scheme conceived to raise the rural per capita income and to further stimulate agricultural development, the creation of farm corporations in effect represents a practical method of changing the traditional structure of Iran's agriculture and promoting the cooperative movement and social integration.

Farm corporations could, in fact, be considered as re-insurance for the complete success of the Land Reform Programme, and their creation opens a new chapter in Iran's agricultural economics.

Under the statute for the establishment of farm corporations, members permanently turn over their rights of land utilization to the corporation without, however, relinquishing their ownership. In return, they receive shares in proportion to the value of their land. In addition, members can draw a salary from the corporation for the work they do in direct proportion to their labour.

The corporations operate on "rural units" of at least one thousand hectares per agricultural year. Thus, the term "village unit" as an economic agricultural unit has been replaced by the term "rural units" which encompass several villages at a time. Shareholders can, without any restriction but the approval of the Ministry of Cooperation and Rural Affairs, sell their shares to other shareholders in the same corporation or to the corporation itself. Upon the death of a shareholder, his shares pass to his legal heirs and his land is prevented from being wastefully divided.

To better acquaint the reader with the objectives of the farm corporations, Article I of the Statute of the Farm Corporations Formation is quoted here- "In order to increase per capita income of farmers and make full opportunities available for the use of agricultural machinery in agricultural activities; in order to familiarize the farmers with modern agricultural methods and techniques and make maximum use of additional rural manpower in agricultural and industrial centres; in order to prevent the breakdown of arable land into uneconomic lots; and, in order to bring more land under cultivation by reclaiming infertile and waste land . . . ".

Thus far, the Ministry of Cooperation and Rural Affairs has formed 65 farm corporations in various parts of the country covering 525 villages and farms or a total area of 231,759 hectares benefiting 22,778 shareholders or a population of 123,882 with a combined capital of 991,884,000 Rials. The total area under cultivation in these farm corporations is 87,012 hectares.

Year after year, the Government has given financial and technical assistance and medium-term loans to farm corporations. It has also made various agricultural inputs such as improved seeds, chemical fertilizer and agricultural machinery available to them.

Technical assistance to farm corporations has been given in the form of services in the field of mapping, topography, greater water availability, and demarcation of tracts of land. The Government has also supervised corporation activities to ensure the proper implementation of their programmes. The stockholders are convinced of the usefulness of the corporations, and work earnestly to make them a success.

The General Assembly is the policy-making body of each farm corporation. The Assembly holds special sessions attended by all shareholders. The General Assembly considers the budget, annual balance sheet, and other issues concerning the corporation's programmes, and elects a board of directors and official inspectors.

The Board of Directors consists of three full members and an alternate member, all of whom are elected by the regular session of the General Assembly for a period of one year. They are charged with inspecting the balance sheet and accounts of the corporation.

The Managing Director of the corporation is appointed by the Board of directors on the recommendation of the Ministry of Cooperation and Rural Affairs and draws his salary and allowances from the Government. In addition, the Ministry of Cooperation and Rural Affairs puts at the disposal of each corporation the services of two agricultural experts, two accountants, an assistant accountant and a technician. They all draw their salaries from the Government.

Farm corporations have pooled the human and material resources of small and scattered farms. They have proved an effective means of raising the per capita income of farmers, and of increasing productivity, thus contributing to the nation's economic growth.

Achievements of Farm Corporations

The Experimental Farm Corporation Law received Royal Assent on 24 January, 1967, after it had been approved by both houses of Parliament. The Research Centre of the Ministry of Cooperation and Rural Affairs was given the task of evaluating the project during the five year experimental phase of the plan. Nineteen farm corporations were established from 1967 to 1969, followed by 47 more between 1969 and 1974. The total number of farm corporations initiated during the 5 years of experiment reached 65.

A span of five years is considered to be long enough to judge the performance of the first 19 farm corporations. These corporations, varying in size, number of shareholder capital and types of production in different regions of the country provide a typical sample for evaluation.

These corporations all have been successful in increasing their water supply and their area under cultivation.

During 1967 - 68 to 1972 - 73, from the year preceding the establishment of the corporations (1967-68) to five years later (1972-73) the gross income of 19 corporations increased 550 percent while the net income per hectare showed an increase of 400 percent.

During the same period, the shareholders - a total 6,298 households comprising a population of 33,241 persons received dividends and also earned wages for the work they performed. In 1972 they enjoyed a rise of 486 percent over the income they made in 1967 prior to the establishment of the corporations (Table I).

Table I — Changes in the Area under Cultivation, Water Supply and Net Income of the Shareholders of the First Nineteen Farm Corporations over 1968-73

	1967-68	1972-73	Increased Income in Percentage
Area under cultivation Hectares	17,556	23,217	32%
Water supply Litre/second	7,094	16,964	139 %
Net Income in Rials	53,562,538	318,367,119	494 %
Dividend of Average Shareholders in Rls.	8,021	50,553	486 %
Average wage earned	7,883	22,707	188 %

6. Rural Non-Farm Activities

The first essential step in the process of improving the socio-economic conditions of rural areas was the land distribution programme, which sought to provide ownership to the real tillers. Having accomplished this task and after initiating a series of supporting measures such as a network of rural cooperatives and a large number of farm corporations - in 1970 the Ministry of Cooperation and Rural Affairs launched a programme to provide further means to promote rural employment and augment rural incomes. Accordingly, a new department was created to spearhead the development of rural non-farm activities. The new department has already initiated a series of projects in selected areas on the basis of a detailed investigation of rural manpower, the employment situation and developmental possibilities. The farm corporations, rural cooperatives and rural cultural houses are being utilized as catalytic agents for these projects.

The areas of major importance in programmes for the development of rural non-farm activities during the Fifth Plan of Iran will be:-

a) Development of rural infrastructure through the involvement of rural people;

b) Enlargement of rural services;

c) Development of important raw materials like wool, silk, other fibres and the preservation of fruits and vegetables, etc.;

d) Improvement of rural traditional crafts and introduction of new crafts.

All these activities are likely to create substantial part-time and full-time employment and income opportunities for those who do not greatly benefit from agricultural programmes as well as those who are likely to be rendered unemployed due to the mechanisation of agriculture. The special emphasis accorded to the development of rural industries in farm corporation areas is undoubtedly helping to build up larger, more viable, and socially more cohesive rural communities with diversified employment and income opportunities.

Village Renewal Programme and Rural Reconstruction

One of the most significant effects of the land distribution programme and the follow-up measures initiated to give substance thereto has been a sudden spurt in the demand of rural communities for more amenities and infra-structural facilities. Indeed, it has set a trend that might be called a "revolution of rising expectation". This has necessitated considerable enlargement of the scope of the "Village Renewal Programme" which has been in operation in Iran since 1963. Under this programme, facilities such as drinking water supply, rural electrification, health clinics, school buildings, sanitary establishments such as public baths, etc. are provided to rural communities who also contribute a small proportion towards the cost of these projects. Nearly 15,934 different projects were constructed under this programme in different parts of the country as of December 1974.

To give a big push to this programme during the Fifth Plan, three significant steps have recently been taken. First, the programme, hitherto handled by the Ministry of Housing and Development, has been made the responsibility of the Ministry of Cooperation and Rural Affairs so that a single Ministry can operate all significant rural development projects. Secondly, the process of planning and execution has been decentralised by giving more power to the provincial Governors. Thirdly, the element of local contribution has been drastically reduced. Instead, more attention will be given to the construction of such amenities and

facilities as a means to build up viable rural centres of growth with clusters of villages around them. Emphasis will also be laid on expanding training facilities for village council members at the grassroots level who are the real agents for ventilating popular demands for amenities as well as planning and executing these demands.

This rural reconstruction programme will play a major role in implementing integrated rural development at the micro level. Planning and financing are done by the MCRA, and the other Ministries will provide technical services and specialists (civil engineering, irrigation, agriculture, health, etc.).

1,200 rural development centres each serving 10 to 15 satellite villages will be built under this scheme during the Fifth Plan.

The Revolutionary Corps in Rural Areas

Integrated rural development requires the development of human resources. As this will be the topic of some other papers we will only mention a unique Iranian experience which has already made an impact, namely the Revolutionary Corps.

In 1962 H.I.M. the Shahanshah decided to create a corp of young high school or university graduates who would accomplish two years of civil service during the period normally devoted to military service. This was established under the joint responsibility of the Army and various ministries. Thus, there came into being the Revolutionary Corps: Education Corps, Extension & Development Corps, Health Corps and Religious Corps. These operate largely in rural areas.

6,538 male volunteers for the Development Corps are involved in agriculture, cooperative works and rural reconstruction. The female volunteers are involved in women's education and rural kindergartens. The Health Corps helped in establishing rural clinics and mobile health teams.

This programme has the double advantage of not only bringing new blood into the manpower of rural areas, but also of making these youths more aware of their country's needs and motivating them to serve their own people.

Conclusion

This is but a general introduction to our programmes on integrated rural development. Other papers may present some specific aspect in greater detail. We hope that through exchanging our experiences we shall find similarities be-

yond the differences and perhaps some new ideas, through which new solutions will emerge. Integrated Rural Development is a process requiring full cooperation and coordination. This seminar will serve as a laboratory to demonstrate that approach.

THE PLACE OF RURAL DEVELOPMENT IN NATIONAL DEVELOPMENT - THE KOREAN EXPERIENCE

Jo, Il-Ho

In general, the priority accorded to rural development in Korea's national development reached its peak during the 1950s. However, this trend changed in the early 1960s as a result of the adoption of the industrialization-oriented national economic development plan. In the latter part of the 1960s rural development was again emphasized and regained its former priority. This study is consequently presented in 3 parts representing each of the above eras.

I. 1950s

After the end of World War II, Korean society experienced a massive influx of new values and ideas. In addition, there was the devastating Korean War from 1950 to 1953. Some results of the War were the destruction of a society which had to be reconstructed and a large number of refugees to feed. Under these circumstances, national development policies were directed to the institutionalization of new values and ideas into traditional social settings and the reconstruction of the post-War economy.

The target of national policy, therefore, specified equal opportunity, freedom, and equity in the society. The major programs which reflected this target were:

1) Common education for everybody (especially compulsory elementary school education);

2) A one-man one-vote election system and representative government, and

3) Land reform enabling the landless rural poor to own land.

After the War the most immediate task was perceived to be the reconstruction of the economy. Much emphasis was placed on economic problems, particularly increased production.

Since from 30 to 60 percent of the population lived in rural areas during this period, national development policy was designed to help this group. The expansion of common education, popular government system, land reform and policies to increase productivity were directed to benefit the rural sector.

The education of the rural populace had two dimensions in general:

i) the citizenship education which attempted to train the rural resident to be a respectable citizen of a democratic free society;

ii) the teaching of improved farming techniques to increase agricultural productivity.

The election system and representative government idea facilitated the growth of political awareness among the rural people. And, at the same time, it facilitated the formulation of national and local level policies which worked in the best interests of the rural population.

Land reform which took place from 1950 to 1955 was programmed to secure equity of land ownership. The principle was to give land to the tillers thus finally eliminating the existence of landlords. Also, the ownership limit per farm was limited to 3 has. This limit of three-ha further lessened the disparities between the haves and the have-nots.

In the reconstruction programs of the post-War economy, the recovery and increase of agricultural production was recognized as being paramount. For this reason, a great deal of resources were committed to increasing the supply of agricultural inputs and credit, and to the extension services, including farm co-operative activities.

One remarkable event during this period was the nation-wide implementation of a community development programme. The major projects of this community development programme were:

i) training and education to induce changes in traditional values and attitudes;

ii) improvement of the rural infrastructure, i.e. roads, water sheds, etc.; and

iii) improved farming techniques, training and dissemination.

As a result of inefficient participation by the rural leadership, the community development programme failed to acquire sufficient financial support from the central government and died without any specific evaluation ever having been made as to its effectiveness.

II. Early 1960s

As the programmes were carried out successfully under the guidelines of the above-mentioned national development strategy, a new dimension of higher social aspirations developed starting in the late 1950s. In particular the achievement of pre-War level production in 1958 signalled the necessity of a new front line in national economic policies.

However, the government was incapable of responding to the new demands of its society, due in part to the authoritative political leadership and administrative structure. The well-educated and ambitious younger generation dared to represent this new social force. The April 19th Students' Upheaval of 1960 and the May 16th Military Revolution were the results of this trend. Through this process, an idealistic younger generation acquired the power to shape national development.

The new generation in power claimed modernization as a basic national development strategy. The rationale behind this claim was that a Korea in which the per man arable land was far lower than the world average could not be successful as a prosperous agricultural state even though more than half the population lived in rural areas. This strategy materialized through the successful implementation of the First Five Year Economic Development Plan (1962-66). In this plan, the industrial sector received relatively higher priority than the rural sector.

The major tasks identified and implemented through direct and indirect rural development policies during this period were:

i) the increased supply of foodstuffs through increased productivity; and

ii) the transfer of rural labour to the industrial sector.

In order to increase the supply of food, the increase of fertilizers and chemicals for pesticide control received priority in the rural development policy. The watershed development programme, the seed improvement programme and extensive rural guidance (extension service) in the new farming technology, also received much support.

III. Late 1960s and Early 1970s

With the success of the First Five Year Economic Development Plan (1962-66), Korean society experienced a very essential change at the root of its structure. The first was rapid urbanization which resulted in a significant decrease

in the rural population. The rural population declined to 50% of the total population (45% in 1973). (The total volume of exports reached US$4.6 billion in 1974, whereas it was a mere US$10 million in 1960. The per capita G.N.P. also increased to a US$500 level by 1974 from below US$100 in 1959).

However, one striking adverse fact arising out of this success was the widened gap between the urban and rural areas in both income and infrastructure. In 1967, the farm household income was merely 60.12% of the urban worker's household income.

In this regard, the political leaders responded very quickly to the claims of a disgruntled rural people whose political decisions had a decisive effect on the power structure. The response was to modify the direction of growth; balanced growth was sought with special consideration given to the rural poor and the small farmer.

The basic direction of the national development strategy was guided in such a way as to achieve industrialization with the minimization of urban-rural disparity through securing balanced growth. Accordingly, rural development policy emerged again in the front lines of the national development policy. The direction of industrialization was also modified; first the export market was developed and second, labour employment was increased. The Second Five Year Economic Development Plan (1967-72) was considerably altered in order to allocate more resources to the rural development sector.

In addition to this, two sets of independent programmes had developed for the sole purpose of rural development: first was the Special Project to increase the Farmers' and Fishermen's Income, and the second was the Extensive Watershed Development Project. Both were launched in 1968 and fully supported by both the President and the party in power.

The rural development policies during this period are viewed as three separate entities:

i) the implementation of a special project to increase the farmers' and fishermen's income;

ii) the Extensive Watershed Development Project; and

iii) the remaining policies of rural development.

(A) The Special Project to increase the Farmers' and Fishermen's Income

This programme was designed to develop new sources of income for those small farmers and fishermen who were poor but wanted to improve their economic situation. The idea was the introduction of marketable items to the farm, i.e. commercial farming. The whole project (1968-72) cost 480 won, equivalent to the construction cost of 450 kms of a 4-lane highway. Also, a sophisticated feed-back system was developed in order to check and coordinate the implementation of this programme. A degree of coordination in these projects were achieved especially in the successful marketing of the commodities produced. Another aspect of this programme was that it used the innovative technique of introducing productive projects rather than subsidies to improve the lot of the rural poor.

(B) The Extensive Watershed Development Projects

This project was designed primarily to increase the production of rice for which consumer demand far exceeded the continual productivity increase. About 420 billion won were invested in this.

The major components of this project were reservoir construction and underwater pumping well development. Within three years of its implementation, it was able to successfully provide reasonable protection against drought to about 20% of the total paddy land.

(C) Other Policies

The intensive and scientific use of agricultural chemicals received increased emphasis. A nation-wide warning and investigation system on crop diseases and insects was developed within the extension service network. Investigation results and advance warning of certain diseases or insects were immediately given to the local and central government, and the farmers' cooperatives. Preventive measures were then carried out.

New features of rural development policy during this period were:

i) strong emphasis on improved marketing of agricultural commodities, including exports;

ii) the step-by-step implementation of the farm commodity price support; and

iii) the rapid expansion of electrification, road development, and public health service units in rural areas.

(D) Evaluation and Modification of Rural Development Policies in the Early 1970s

With the recognition of rural development's importance in the course of national development, a great deal of attention has been focused on the actual performance of each set of rural development policies. Many feedback systems installed both within and outside the bureaucracy afforded better evaluation and readjustment in this regard.

Certain basic directions in the revision of existing rural development policies emerged out of this process: these were, in essence, as follows:

i) Rural society should be constructed in such a way that it could independently and continually generate its own innovations and changes. This meant that rural society could not be regarded as a unit which only passively received externally introduced changes or innovations. To achieve this reconstruction, very basic value and attitude changes in the rural populace were needed. Paramount in this respect would be the development of creative entrepreneurship among the people. To achieve the intended change in the values and attitudes of rural people, we singled out three dominant qualitative factors:

   a) diligence;
   b) self-help; and
   c) cooperation.

ii) Every rural development policy should be effectively aimed at the farm or village level. This may be described as a need to integrate development policies at the field level. Also, at the central level, a certain degree of integration and coordination should characterise rural development.

In keeping with these two goals we have launched a comprehensive rural development programme called Saemaul Undong (New Village Movement) in 1971. At its inception Saemaul Undong was a community development programme which advocated the Saemaul Spirit: self-help, diligence, and cooperation.

The Effects of Saemaul Undong at this Stage

1) The new belief is that one should attempt to discover and deal with existing problems oneself. Farmers are becoming very active in reconsidering their existing environment and finding means to improve it on their own initiative.

2) In line with the above, the farmers are very flexible in adopting changes which, in some cases, contradict traditional beliefs.

The major breakthrough which brought about this result can be analised as follows:

1) Since programmes were visual such as road development, roof improvement, etc., the participants could easily see what they had done under the given disciplines so that they gained confidence.

2) Immediate compensation by the government to villages which had successfully done their cooperative self-help project encouraged and spurred the flow of this activity.

3) Effective utilisation of creative local leadership was fostered through the National Agricultural Cooperatives Federation training course and contributed to the successful mobilization of local people and also an effective organisation of projects according to specific situations of the village structure.

4) As the rapid growth of non-agricultural sectors created a significant disparity between the urban and rural areas there was an overriding feeling within the society that we should do something very different from past practices in the rural development field to muster strong support for the movement. This feeling was similar among the rural people. For this reason, they participated in the new programme with increased enthusiasm.

5) As a result of the successful implementation of two five-year economic development plans and the Special Project to increase the Farmers' and Fishermen's income, both political leaders and bureaucrats gained confidence in carrying out new development strategies. Also, the combined experience of field and central bureaucrats greatly helped to improve administrative capability.

At the same time, people in both rural and urban areas placed increased trust in government development policies as those became more and more successful.

FARMERS' COOPERATIVES IN MALAYSIA TOWARDS AN INTEGRATED APPROACH IN RURAL DEVELOPMENT

Ahmad Sarji bin Abdul Hamid

Structure of the Rural Sector

The rural sector occupies an important position in the Malaysian economy. 71.2 percent of the nation's population resides in this sector. The rural-based agricultural sector (including forestry and fishing) contributes 32 percent to the gross domestic product and provides 52.6 percent of the total employment. The major agricultural produce viz. rubber, palm oil, pepper, pineapple and coconut oil accounted for 43 percent of the nation's export earnings of M$9,580 million in 1974. [1]

The rural sector gravitates around the lowest point of the income scale. Income in rural areas is low in both absolute and relative terms. An analysis of data from the 1970 Census of Population and Households showed that the mean household income (rural and urban) in Peninsular Malaysia was M$269 a month. 82.6 percent of the households with incomes below M$200 were located in rural areas. About 34 percent of the rural households had incomes below M$100 per month while only 9.4 percent of urban households fell in this category. Overall, the mean monthly income of rural households was less than half the mean income of M$435 of urban households. [2]

The rural sector is further characterised by an economic dualism with a modern highly capitalised, productive and efficient export-oriented estate sector which produces half of rubber and virtually all its palm oil, and a smallholding sector which comprises small farms involved in rice, rubber, coconut, fruit, coffee, pepper and pineapple cultivation. About 33 percent of all crop parcels in the smallholding sector are less than 1 acre in size and 86 percent are less than 5 acres. [3]

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1 *Economic Report 1974 - 75*, The Treasury, Malaysia.

2 *Mid-term Review of the Second Malaysia Plan 1971 - 1975*, Kuala Lumpur, 1973, p.3.

3 *Acreage and Tree Population of Crops in Smallholdings, West Malaysia, National Crop Survey 1967/68*, Department of Statistics, Kuala Lumpur.

The Approach: Farmers' Co-operatives

Clearly, the important task is to increase the small farmers' income. The means to this is the commercialisation of smallholding agriculture leading to increased agricultural productivity which will also satisfy the self-sufficiency and import-substitution goal, the principal objectives of the current agricultural policy.

Spearheading the thrust of the governmental machinery in agricultural and rural development is the Farmers' Co-operative. The Farmers' Co-operative is the entity resulting from the integration of rural agro-based co-operative societies and farmers' associations, following the promulgation of the Farmers' Organisation Act, 1973 (Laws of Malaysia 109) [4]. Administrative-wise, Farmers' Co-operatives come under the jurisdiction of the Farmers' Organisation Authority whose main functions are to register, control and supervise Farmers' Co-operatives; to promote and undertake the economic and social development of Farmers' Co-operatives; and to plan and undertake agricultural development through the Farmers' Co-operatives. Each Farmers' Co-operative operates within a specified Farmers' Development Area and its administration is located at the Farmers' Development Centre which contains an office, meeting hall, stores, tractor and lorry sheds and in some cases, a tractor service garage.

Objectives of a Farmers' Co-operative

The major objectives of each Farmers' Co-operative are:

a) to provide extension services and training facilities to farmers so as to equip them with the technology essential for the advancement of agriculture, horticulture, animal husbandry, home-economics, agri-business and other commercial enterprises;

b) to expand agricultural production amongst farmers and smallholders so as to promote greater diversification and commercialisation of agriculture and to expand and promote agri-business;

c) to make available farm supplies and daily necessities including other facilities required for progressive farming and better rural living;

d) to provide farm mechanization facilities and the services necessary to modernize farming operations;

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4 For a background on the events leading to the integration order, see Ahmad Sarji bin Abdul Hamid, "Restructuring of Rural Institutions for Agricultural and Development in Malaysia", a paper presented at the Malaysian Economic Association Second Malaysian Economic Convention, Kuala Lumpur, 26-30 March, 1975.

e) to provide credit facilities and services and to promote greater investment in agricultural and economic pursuits;

f) to promote, encourage, facilitate and offer services for rural savings;

g) to provide marketing services, storage, drying complexes, warehousing and other facilities;

h) to operate and provide transportation facilities to enhance agricultural marketing and related operations;

i) to establish and operate the processing plants and milling complexes necessary for processing agricultural products;

j) to facilitate capital formation and to promote investment amongst farmers through equity participation in commercial and agri-business ventures;

k) to assist members in acquiring land to undertake land development projects for the benefit of its members;

l) to promote and stimulate group action through various community projects and facilitate leadership development; and

m) to provide social services, educational and recreational facilities to enhance the social advancement and well being of farm families.

Farmers' Co-operative as a Vehicle for Rural Development

The Farmers' Co-operative plays a key role in the area development concept. As the organisation closest to small farmers, it may well serve as the link through which development aids from other rural institutions can be channelled to the farmers. The proliferation of rural institutions with specific functions such as the Department of Agriculture, the Federal Agricultural Marketing Authority (FAMA), Agricultural Bank of Malaysia (Bank Pertanian), National Padi and Rice Authority (LPN), Malaysian Rubber Development Corporation (MARDEC) etc., in response to the drive for agricultural and rural development, makes this co-ordinating role of the Farmers' Co-operative a crucial one.

Farmers' Co-operatives operate as local credit centres of the Agricultural Bank of Malaysia in the provision of short-term paid production credit to padi farmers in the rice bowl areas of Muda, Kemubu, Besut, Tanjong Karang and Sabak Bernam and Krian. From 13 Farmers' Associations dispensing credit amounting to M$172,170 at the start of the credit programme in 1970, the number of

Farmers' Co-operatives and constituent units acting as local credit centres increased to 77 in the first crop season of 1974 dispensing M$5.5 million and accounting for 75 percent of the Agricultural Bank's total local credit centres, 70 percent of the farmer-participants and 68 percent of the total credit value.

In the marketing of small farmers' produce, Farmers' Co-operatives are now given priority as purchasing agents of latex on behalf of the Malaysian Rubber Development Corporation. In 1974, 36 such licenses were given to Farmers' Co-operatives or their constituent units. 67 constituent units of Farmers' Co-operatives were also given licenses to deal in padi purchasing and milling, and appointed as agents of the National Padi and Rice Authority in 1974.

In the mobilisation of farmers and resources, the combined performance of Farmers' Associations and agro-based co-operative societies reveals the following. Farmers' Associations now register a membership of more than 110,000, accounting for about 30 percent of all farmers compared to only 3.9 percent in 1969. Capital stock accumulation over a five-year period from 1969 to 1973 has shown a progressive upward trend. In fact, the increase during this 5 year period is more than 11-fold indicating to a large extent the increase in the number of associations and more purchases of share capital by the members themselves. Total assets showed a 14-fold increase from M$1.4 million in 1969 to M$19.5 million in 1973. This progressive increase in assets is attributable to the following factors:

a) as a result of the formation of new associations; and

b) due to the expansion of the business activities of these associations.

In 1973, current assets alone represent 85 percent of the total assets of these associations. The savings program of the farmers' associations was launched in 1970 with the aim of encouraging farmers to save within their associations. It was hoped that with such a program, these associations would develop their own sources of loanable funds, and subsequently mobilise these funds for investment in agricultural ventures. Total savings in 1970 were only M$61,000 and this increased sharply to M$773,000 in 1973, a 13-fold increase.

There are now 1,557 rural agro-based co-operative societies with a total membership of 135,000. Current and fixed assets of these societies amounted to M$12.0 million and M$13.3 million respectively in 1973. The members' contributions to share capital amounted to $9.0 million in 1973.

Commercialising the Smallholding Agriculture

Rapid commercialisation of the smallholding sector is the crucial element in agricultural and rural development strategy and holds the key to the amelioration of rural poverty. Commercialisation means converting farm production from a subsistance to a market-oriented system and making the farm enterprise financially profitable. At the farm level, it is intended to increase the farmers' production capacity; make him more knowledgeable about new technology, more receptive to innovation, more economically-minded in the use of resources and choice of investment, and more market-responsive. The idea is to convert the small farm situation into a dynamic one. At the community level, commercialisation generates greater trading of agricultural inputs and produce, distribution services, marketing, servicing operations, transportation, agro-industries and other ancillary services to support agriculture. Commercialisation thus multiplies and expands the scope of economic activities in the rural sector.

The Farmers' Co-operative structure particularly concentrates on two components of commercialisation; firstly, increasing productivity and secondly, improving the rural institutional structure capable of combating exploitation.

Increasing Productivity

Whilst a proportion of rubber, padi, pineapple and tobacco farmers have been exposed to modern technology and have experienced modern inputs such as fertilizer, pesticides, machinery, etc. a substantial population of small farmers has either neglected to use these productive inputs or have used them at levels that are not financially optimal. Various ways of increasing productivity can be activated through the instrumentality of the Farmers' Co-operative such as planting with high yielding varieties, increased use of inputs and operating capital such as fertilizer or agricultural chemicals, intensified use of resources through intercropping, multiple cropping and diversification, investment in capital goods such as tractors, pumps, and land improvements by drainage, irrigation, terracing, etc. Supply of inputs, technical guidance and credit facilities can all be provided as part of a "package programme" by the Farmers' Co-operative.

In terms of mechanisation and transportation facilities, Farmers' Co-operatives together own 131 units of 4-wheeled tractors, 138 units of 2-wheeled tractors, 76 units of lorries, 15 land rovers, 25 pick-up vans and an assortment of other implements in 1974. In 1973, 1,340 members owned 2-wheeled pedestrian tractors compared to 731 in 1969.

In ensuring that farmers have ready access to modern agricultural inputs, Farmers' Co-operatives distributed M$9.5 million worth of supplies in 1973, including M$4.8 million fertilizer, M$0.9 million of seed and M$0.4 million worth of agricultural chemicals. It is estimated that 40 percent of the smallholders in the country benefited from these supply activities.

Part and parcel of the productivity strategy is the concept of co-operative model farms, based on the principles of demonstration and co-operative land use. The co-operative model farm programme is aimed at establishing in each geographical area which is normally regarded as a sociological and economic unit, a substantial and viable economic/agricultural enterprise based principally on the resources that exist within the area of peripheral locality.

Farmers' Co-operative as a Means to Effect Institutional Changes

The strategy of the Farmers' Co-operative is to modify the existing systems of domination and to offer itself to the farmers as a competing alternative running parallel to the existing middlemen system. The aim is to make the product and input markets (including land and capital) more competitive. In the long run, middlemen will have to bring down the price of their services. A strong and viable rural institution such as the Farmers' Co-operative, with its integrated input, credit, processing, transportation and marketing services, is the best way to improve the rural institutional structure.

Recognizing the lack of capital as one of the most serious limiting factors in the commercialisation of smallholding agriculture in Malaysia and that the availability of institutional credit plays a critical role in reducing the dependence of smallholders on moneylenders and middlemen, the Farmers' Co-operative operates a supervised farm credit programme. Agricultural production activities are financed under the close supervision of extension personnel as part of a "package deal" that includes technical guidance and other essential services to ensure efficient credit-utilisation and maximum returns. The Farmers' Co-operative operates out of its own funds, borrowed funds or acts as local credit centres for the Agricultural Bank of Malaysia. This supervised credit programme reflects the policy that agricultural credit should be accompanied by a sufficient amount of technical advice and extension, and administrated by competent personnel with the necessary managerial skills and integrity.

Assistance from the Government is in the form of a loan from the revolving capital fund of the Farmers' Organisation Authority. Capital from this revolving capital fund is meant to provide loan facilities for Farmers' Co-operatives to enable them to carry out their agricultural and economic activities. Out of this

fund, the Farmers' Organisation Authority has so far loaned out M$3.9 million to the Farmers' Co-operatives for the purchase of supplies, marketing activities, agricultural and processing activities and the rehabilitation of co-operative rice mills.

Rural co-operative societies (credit societies) under the FOA jurisdiction also operate a credit programme from their own funds, or funds borrowed from the Agricultural Bank of Malaysia or Bank Rakyat. In 1973, a total of M$5.1 million was loaned to members, of which M$4.8 million was for short-term production, marketing or supply purchase purposes.

Contract farming, which is normally unfavourable to independent producers, can now be negotiated by the Farmers' Co-operative on behalf of the farmers. Contract farming with processors, wholesalers, supermarkets, retailers, etc. will guarantee markets for small farmers' produce and will act as an alternative marketing channel to traditional middlemen-buyers.

Combined performance of Farmers' Associations and agro-based co-operative societies in the marketing field showed that Farmers' Associations marketed M$4.1 million worth of padi, rubber, pineapples, coconuts, groundnuts, etc. in 1973 and an estimated M$8.4 million in 1974. Co-operative societies handled about M$25.9 million worth of farmers' produce in 1973, consisting of M$14.8 million worth of padi, M$8.9 million worth of rubber and M$2.2 million worth of pineapple, etc.

Farmers' Co-operatives have to some extent played a successful role in improving the rural institutional framework. "One of the most remarkable achievement and one most appreciated by its members is perhaps the effect on price stabilisation. Because of an alternative for supply and marketing, at least for a number of products, middlemen had to adjust their prices. The mere organisation of market for a number of products and inputs is an important accomplishment in itself. To obtain fertilizers and chemicals of the right kind, at the right time, is no problem any more for the farmers." [5]

Conclusion: Why an Integrated Approach is Necessary

In alleviating rural poverty and its related multidimensial problems, rural development must involve the transformation of the entire rural sector, and integrate it with the rest of the economic system. The farmers' co-operative movement with mass participation, a key factor in integration, offers a promising strategy. Without the co-operativisation of the rural sector, small farmers will continue

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5 F. Kuhnen, "An Area Farmers' Association - Its Structure, Activities, Accomplishments, and Problems", a paper presented at the Expert Consultation on Integrated Rural Development Projects through Farmers' Organisations in Asia, Kuala Lumpur, 20 November - 4 December, 1973.

to operate individually in small units, disorganised and oblivious of the benefits of group participation in the purchase of supplies and input, etc. and lack the group cohesion so necessary to increase their bargaining power. Exploitative systems inherent in the institutional framework will increase in strength to the detriment of incentives of small farmers, destroying motivation to improve farming techniques and to increase agricultural production. Farmers' Co-operatives, with integrated services circumscribed within the area development concept, play a role as a rural development centre through which the government machinery, via rural development agencies' aids, can be efficiently channelled to the people.

The rationale of an integrated approach reflects primarily the need for the simultaneous improvement of a whole group of services and institutions in developing small farm agriculture. Put simply, farmers are poor and indebted. Marketing and credit are unorganised and a disadvantage to farmers. What is thus needed is a rural institution to provide these services and more, and to represent them as a group. Expenditure on any one service alone, for example extension or credit, is likely to bring less then expected economic returns or social benefits unless other services such as the marketing system are also improved at the same time, and fertilizers and other essential supplies are made available at the time of need. So-called "second generation" problems experienced by other countries in the green revolution exemplify the need for adequate supply, storage, marketing, processing and other services in order that the benefits of technological advances can be realised by the small farmers.

In Malaysia, there is increasing pressure to eradicate rural poverty. The greater demand for food resulting from the increasing population and standard of living warrants a more efficient food production and distribution system. An inadequate infrastructure may seriously hamper the growth of agricultural production as a whole. All these mean that small farm agriculture must be modernised. Farmers in turn demand greater services such as supply of inputs, credit, marketing, processing, etc. An integrated approach through the instrumentality of a co-operative system offers the best way to meet such demands and at the same time is able to ensure an equilibrium in sectoral development because of two important features. Firstly, as an alternative to the traditional middlemen system, the rural institutional structure can be improved; it ensures that enough incentives will motivate farmers to become more productive. Secondly there is active involvement of the people, an important requisite for self-sustaining rural development and for equitable distribution of wealth and opportunities.

A REVIEW OF POLICIES AND PROGRAMMES IN THE FIELD OF RURAL DEVELOPMENT IN PAKISTAN

Sadiq Malik*

The rural development objectives of the People's Government in Pakistan are:

a) to halt the polarization of rural society through agrarian reforms;

b) to provide a framework of effective and viable rural institutions so that the peasantry can benefit from new technology;

c) to maximise agricultural production, particularly of food grains to make the country self-sufficient;

d) to obtain the whole-hearted cooperation and participation of the rural population in development work;

e) to provide comprehensive and integrated services particularly to the small farmer at his door-step.

Several institutions had been set up in the past to ameliorate the economic conditions of the rural population. These included Village Agricultural and Industrial Development (Village-Aid), the Basic Democracies Scheme, Rural Works Programme and the Agricultural Development Corporation. These programmes did not make much impact on the rural population for the following reasons:

a) emphasis was not laid on agricultural development as the basis for rural development;

b) institutions under local leadership were not encouraged and leadership was imposed from the top;

c) there was lack of coordination within the nation-building departments which resulted in over-lapping of functions and wastage of efforts;

d) there was an absence of proper supervision, follow-up actions, evaluation and above all accountability;

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e) the planning was effected without popular participation at the grass-roots.

Agrarian Reforms

One of the major programmes of the present government, i.e. Agrarian Reforms, was announced barely seventy days after the government assumed office. The ceiling on individual ownership was lowered drastically from 500 acres of irrigated land to 150 acres, and from 1,000 acres of unirrigated land, to 300 acres. All previous concessions excluding orchards, stud farms, etc. were withdrawn. Land holdings in excess of the ceiling were requisitioned without compensation and distributed among the peasantry free of cost. Henceforth all Government lands would be reserved for distribution among the landless peasants.

A unique feature of the agrarian reforms was the shifting of traditional input expenditure from the tenants to the land-owners. This measure alone is expected to effect an income-redistribution of several million rupees per annum Arbitrary ejection of tenants has been banned and tenants on the land have been given the right of pre-emption should the land be put up for sale. These measures provide security for the tenants and they can now confidently invest more in order to obtain increased production.

Land reforms cannot by themselves achieve the desired results. Therefore, if the broad land reforms objectives are to be achieved and that achievement maintained, much more consideration will have to be given to the rural environment - which means comprehensive and scientific institutional arrangements which stimulate and support higher productivity, the use of new technology, and the strengthening of the infrastructural base.

The most crucial part of agrarian reform is the provision of the necessary supporting facilities to those beneficiaries who have been allotted land but have not the financial means to make the best use of it.

In order to achieve the abovementioned objectives, the Government has launched three programmes which have a direct bearing on the development of rural areas. These are:

a) the Integrated Rural Development Programme;

b) the People's Works Programme; and

c) agro-villes.

Integrated Rural Development Programme

The generally accepted philosophy underlying rural development is that all aspects of rural life are inter-related and no lasting results can be achieved if individual aspects of it are dealt with in isolation. Rural and agricultural development constitute an integrated process.

As agriculture is the predominant segment of our economy, the first step must be to set up the institutions required for agricultural development so that these may provide a foundation for integrated rural development. The organizational structure must be linked with the civil administration and the local bodies system at all levels so as to ensure that agricultural development is closely linked with the overall efforts for rural development including other important sectors, i.e. health, education, community development, communication, etc.

The concept of the Shadab Pilot Project was evolved as follows:

> "To select a production area comprising of 50 to 60 villages, mostly with small and medium sized farmers with a view to improving their socio-economic status by intensive rural development programme with initial thrust to increase productivity by providing technical guidance, supervised credit, supply of inputs, machinery on hire, storage and marketing facilities, etc. based on sound physical, organizational and institutional infrastructure, by intensification, diversification and commercialization of agriculture through a social cooperative system under a total approach."

The specific objectives of Pakistan's IRD Programme may be roughly summarised as follows:

a) Achievement of increased economic growth and food production in rural areas by a transition from traditional to modern agricultural methods among small and medium sized farmers.

b) Delivery of social and economic inputs based on the service infrastructure in rural areas accessible to these farm families in order to assist them in attaining a satisfactory level of living.

c) Provision of supervised credit and banking facilities, transportation, storage and marketing facilities to the small farmers.

d) Provision of farm planning and management services at the grassroots level.

e) Improvement of basic physical and social infrastructure.

f) Development of labour intensive strategies within the countryside for the creation of farm and non-agricultural job opportunities.

g) Reduction of the population migration from rural to urban areas by spreading "urban" amenities to the countryside as well as by providing employment there.

h) Attainment of popular participation in rural development by creating viable local institutions.

i) Encouragement of local leadership and group dynamics leading to co-operative farming.

The Local Government set-up is important to this programme for the following reasons:

a) It contributes to political stability.

b) Helps avoid opposition of local leaders to national plans.

c) Provides a sense of participation on the part of the people.

d) Provides a structure for the articulation of local socio-economic and political demands and their subsequent transfer to the provincial or central governments.

Local Government institutions have existed in the Indo-Pakistan sub-continent since known history in the form of Village Panchayats. Through legislation the Government intends to set up local bodies from the village upwards in the near future to ensure participation by the people in developmental activities.

High political support to IRDP has invigorated and resuscitated it at every stage since its inception. The Integrated Rural Development Programme was formally launched by the present People's Government in July 1972. The Prime Minister of Pakistan Mr. Zulfiqar Ali Bhutto has described this programme in the following words:

> "The Integrated Rural Development Programme is probably our last hope to improve the economic position of our vast majority of small farmers and thus improve the quality of life in villages, afford employ-

ment opportunities, reduce the gap between the urban and rural areas so that the people living in the villages may participate with their colleagues in the cities, with pride in the political, social and economic life of the country - I would therefore appeal to all concerned to make the very best use of our limited resources and evolve a mechanism whereby every functionary in the field not only gets a sense of participation but feels the responsibility to produce the result against which his performance would be judged - - A breakthrough in this field will revolutionise the whole society."

To date 112 IRDP Centres called "Marakaz" adorn the rural landscape of our country in Baluchistan, Azad Kashmir, Frontier, Punjab and Sind. The Government intends to cover the entire country by a network of these "Marakaz" in the shortest possible time. We in Pakistan are planning to establish a total number of 714 Marakaz all over the country by 1980 so that approximately 35,000 to 40,000 villages are covered by the integrated and comprehensive services provided by the IRD.

People's Works Programme

The People's Works Programme is a joint enterprise of the government and the people. The government provides administrative, technical, legislative and financial support while the people identify the projects to be undertaken.

The People's Works Programme is primarily concerned with labour intensive projects in the field of physical infrastructure such as the construction of roads, irrigation, drainage, housing, community buildings, small dams, brick making, drinking water supply, tree plantation, etc. The activities under the People's Works Programme thus provide substantial support to the Integrated Rural Development Programme.

Agro-villes

Although the majority of the country's population lives in rural areas, these areas suffer from an inadequacy of essential services and facilities. An inadequate infrastructure of agricultural and credit facilities is contributing to the persistence of low levels of production as well as of income. The stress of rapid population growth coupled with lack of employment opportunities is further aggravating the problem. The net result of this lack of development has resulted in the following conditions in rural areas: weak economic base, low rate of capital formation, deficient infrastructure for development activities, unemployment and under-employment for an ever-increasing migration to the urban centres of the country.

The Agro-villes programme envisages better urban facilities for small towns surrounded by rural areas so as to relieve big cities of continuous population pressure. Broadly defined, it means the development of an existing market town into a relatively self-contained new urban settlement with a balanced range of essential public services and socio-economic and cultural facilities.

Similarly, the focal points (Marakaz) under the Integrated Rural Development Programme will also be developed into agro-villes. Thus the establishment of agro-villes would develop a close relationship between rural and urban areas. A planned and systematic development of these centres would remove present inadequacies and prevent further exploitation of the small farmer.

Conclusion

I have tried to capsulize the multifarious aspects of the Integrated Rural Development Programme although the topic is far too complex and multidimensional to be covered adequately in a short paper like this. Pakistan has embarked upon a programme which is bound to revolutionize life in its rural areas within a decade or so. Our Programme has come to be internationally recognized as a sound and practical approach towards solving the formidable problems of growing food shortages and massive rural poverty. We are quite aware that a Programme of such a comprehensive and revolutionary nature is bound to face numerous obstacles and impediments not only springing from organizational and financial constraints but also those which are deliberately created by people whose vested interests are bound to be disturbed by the radical changes in their status-quo through the implementation of this Programme. We are not oblivious, unmindful and unprepared for these problems even though it would take a gigantic national effort to overcome the same. We shall periodically evaluate and analyse the implementation of this Programme and shall try to adopt an extremely flexible and pragmatic approach to iron out the various difficulties that will inevitably arise in changing the face of the neglected rural countryside.

IMPLEMENTATION OF RURAL DEVELOPMENT POLICIES AND PROGRAMS: A BRIEF PHILIPPINE COUNTRY REPORT

Jose M. Lawas

For 1972, the economic progress achieved by the Philippines was, indeed, remarkable when measured in terms of gross national product and growth in the industrial and commercial sectors. The reports in these aggregate indicators, however, were not paralleled by development in many regions and classes of people.

There was a marked disparity in the developmental sector accumulated from past trends in investment patterns as well as in the unhandled operations of market forces. Measured in terms of income per household, income level averaged ₱ 1,953 (₱ 6.70 = US$1.00) in the rural sector and ₱ 3,970 in the urban sector in 1971.

In 1972, the unemployed labor force was about 7% of the total labor force; underemployment was at about 16%. In absolute figures, the total unemployed and underemployment numbered 2.415 million in rural areas and 1.385 million in the urban sector. About 65% of the total population lived in rural areas. Over seven million of the farm population lived as tenants on someone else's land. Much of the rural population was generally poor. Even today, central to the issue of deprivation in the rural areas is food production which has barely kept pace with the mounting demands of a fast increasing population. This situation has been exacerbated by inflation.

In 1972, existing technical and institutional organizations were generally not conducive to development, particularly in the rural areas. There was a high degree of tenancy, too much bureaucracy in the government service, excessive political pressure, obsolete technology and uncoordinated government development programs and projects. Under these circumstances, many traditional government-sponsored agricultural, industrial and other projects and activities intended to improve the standard of living in the poverty-stricken areas of the country during that period were often only partially successful.

Recognizing the gravity of the situation, sweeping reforms were instituted in September 1972 in most aspects of the system in order to effect structural changes that would result in accelerated economic growth and greater social equity with particular emphasis given to the rural poor. Reforms were made in the following areas: the agrarian system, economic development, social development, development of moral values and government machinery.

Henceforth, the development of the rural areas occupied a high priority in the policies and programs of the government. Various programs geared to increase the productive capacities of the rural populace and concomitantly raise their incomes and living standards were implemented. Programs and projects were implemented in the areas of agriculture, industry, infrastructure and social development services. To name a few, there are national programs for the improvement of local public administration, rural electrification, small-scale industry, land reform, feeder roads, irrigation, food production, tourism, nutrition, family planning, health, education, credit institutions, cooperatives and other programs whose main thrust is for rural upliftment.

In recent times, activities are being undertaken in the area of integrated rural development. There are Integrated Rural Development projects in Bicol, Mondoro, Cagayan Valley, Cotabato-Agusan, Samar-Leyte, Iloilo-Panay, Marindugue, Lanao and Zamboanga. These projects are activities specifically intended for the rural poor segment of the population (See Note I for a brief description of this specific rural development project).

In order to effectively carry out the policies and programs of rural development, government machinery has been reorganized and the orientation of its activities drastically changed to conform with the achievement of development objectives at the national as well as local levels.

National planning is being approached in terms of planning the productive sectors. At present there are nine (9) national sectors being considered: namely, agriculture, industry, education, health and nutrition, employment, tourism, infrastructure/utilities, housing and foreign trade. Planning is being done by the implementing agencies involved in its respective sector. For example, the national agricultural sector plan is being prepared by all agencies of the government and the private sector directly involved in agriculture.

All the national sectoral plans are coordinated, collated and monitored by the National Economic and Development Authority (NEDA), the highest policy and planning body of the government. The NEDA board is chaired by the President. The members are heads of financial and line agencies of the government who are for the most part Cabinet members. The NEDA, in general, formulates development policies and plans and coordinates the national budget and investment activities in the country.

On the basis of the Government Reorganization Plan, all line agencies were restructured. There are at present 11 regions. Planning has also been reorganized and is being undertaken by the line agencies, local government (provincial and city) and the private sector of a region. At the regional level, the sectoral plan is being coordinated by the Regional Development Council which is an extension arm of the NEDA in each region.

At present, planning is being carried down to the municipal level and eventually to the lowest unit of administration - - the barangay or citizen assembly. The sectoral plans at the municipal, city and provincial levels are being prepared and coordinated by the Department of Local Government and Community Development (DLGCD). The NEDA and the DLGCD have a very close working relationship in terms of planning and implementing development projects.

The flow of the planning process will eventually be from bottom-up, i.e. from the citizen assembly to the municipal level, provincial, then regional and finally to the national level. At present the process is a combination of both up-bottom and bottom-up planning activities.

Since planning is being undertaken by the implementing agencies within their respective resources, all programs and projects included in the plan will then be implemented by these agencies. All implementing agencies execute their responsibilities within their own prepared timetable and programme of activities for their projects.

The coordination of program and project implementation is being done mostly by NEDA at the national level and by the Development Management Staff (DMS) of the office of the Executive Secretary at the regional level. The local government elective officials concerned usually do the coordination work at the provincial, city and municipal levels.

Thus all national development programs and projects for the rural sector are being planned and implemented by line agencies and local government sectors which are horizontally coordinated and integrated at all levels of activity. In other words, in the implementation of programs and projects for rural development in the Philippines, a mechanism has been built in the organizational structure of government entities to synchronize as well as properly coordinate the activities of the line agencies or departments at the national level, regional offices, provincial and city governments as well as municipal and barangay units.

With respect to the nature of local government, the new constitution makes special mention in its declaration of principles and state policies of the introduction of strong units of local government to ensure the fullest development of self-reliant communities. Local government can, for example, create its own source of revenue and levy taxes, subject to such limitations as may be provided by law. In addition, the constitution provides that funds be allocated from a variety of sources so as to make this unit of government strong and effective.

To broaden the people's participation in government affairs, all barrios or "barangays" (citizen assembly) will now include persons 15 years old and above.

In addition to restructuring the bureaucracy, political interference at all levels of development activities is gradually being reduced to facilitate mobilization of the rural people in the development process. By January 1976 local government officials will no longer be elected but rather appointed on the basis of their development-administration capabilities.

In the absence of any interest in that direction by political parties, the organization of the rural poor is being effected by the government. All farmers will eventually be members of their own respective cooperatives.

To augment efforts to elicit greater participation from the rural people, continuous dialogue between them and government is being undertaken at present through seminars and other communication outlets.

NOTE I

New Initiatives: The Integrated Rural Development Approach

The Philippines has launched what we call the "integrated rural development" approach. In contrast to the traditional and often inefficient project-by-project approach, the integrated approach to rural development calls for a simultaneous injection of development input into an identified geographic area. This approach takes into account not only the mutual interdependence of agricultural production and infrastructure but also the interdependence of such diverse elements as health, culture and education.

A. The Concept

The integrated approach represents a shift from the fallacy that the process of growth is but a single mathematical equation: the bigger the investment, the better. Rather, this approach to rural development acknowledges the thesis that systematic integration is the essence of the process of growth, the key to the development of our rural areas.

It is systematic because it involves not the simple and theoretical introduction of input but the responsible programming of their environmental investment to achieve maximum benefits. And it is necessarily integrated because it measures growth in terms of the whole - the whole man, the whole family, the whole community, the whole region, not in isolated sectors nor in isolated components.

B. Objective

The objective of the integrated rural development approach is to bring about a self-sustaining rise in the income levels of the rural poor. Complementary objectives include: increased productivity in rural areas, higher national output, more even income distribution, wider employment, greater participation by the rural people in productive endeavours and in the sharing of the benefits thereof improved physical environment and general quality of life and better functional and spatial relationships within and among rural and urban activity systems, thus leading to political integration.

C. The Strategy

The above objectives are being pursued within a total framework of national and regional development. Within this framework, the policy programs and project for rural development concentrate on a direct attack on the causes of rural poverty. What is being adopted is a problem-oriented and social-cultural approach - one where the most crucial bottlenecks and problems of development felt by the people are identified together with the relevant factors behind them, degree of significance and their interactions. At the same time, a survey of resource potentials - human and material - that can be meshed to overcome these bottlenecks is made. Given the problems on the one hand, and the potentials on the other hand, key projects are identified that will be most responsive to the development needs and most sensitive to the objective attainments. In all cases, the strategy is oriented toward reaching the rural poor in order to raise productive potentials, open up new opportunities for improvement, and provide the basis for a sustained rise in earning levels.

D. Criteria for Area Selection

Because of the obvious scarcity of resources compared to the need for development, it is necessary to arrive at some system of priorities in selecting areas for integrated rural development. Within the context of the overall development goals of the government, priority is being given to the following areas:

1) areas with high tenancy rates;

2) relatively underdeveloped areas with development potentials in more than one sector of the economy (crop production, forestry industry, etc.) as measured by certain indicators;

3) areas whose inhabitants have incomes within the lowest income bracket;

4) areas with potential for swift development as measured by certain indicators;

5) areas requiring relatively small incremental investment to generate high benefits.

The program focuses on delimited geographic action where the problems of poverty and opportunities for promotion can be defined as homogenous for development action purposes. Strategic growth centers are being identified in the development areas within which investments and activities will be concentrated to stimulate production in the hinterlands through appropriate functional linkages.

E. Organization

A cabinet committee created by the President and chaired by the Secretary of Agriculture oversees the planning and implementation of integrated rural development projects in the country. Supportive of this cabinet committee is an inter-agency technical committee made up of senior representatives of all government agencies involved in rural development. It is in this level that inter-agency coordination of rural development efforts is achieved both horizontally and vertically.

RURAL DEVELOPMENT IN SRI LANKA

I. Porage

A scheme for the upliftment of the rural masses originated as a government sponsored activity in 1940 when a branch was created in the Department of Commerce and Industries specifically for rural development work. Under this scheme, Rural Development Officers were posted to selected villages within which 70 rural service centers were established by 1947.

When it was observed that considerable economic and social rehabilitation was possible, a special Department of Rural Development was established in 1948. Its purpose was to coordinate the activities of special rural welfare societies organised for the development of the health, economic and cultural aspects of a village. Besides the function of coordinating, these rural development societies afforded a useful platform for other government village welfare departments, not only for propaganda and education purposes, but also for obtaining cooperation of the rural people in the implementation of development schemes on a collective basis. These rural development societies worked on the principle that every citizen should have a fair opportunity to take part in the activities of the government and to derive some benefit from its development programmes. By 1955, there were over 6,000 such rural development societies.

In 1955 the Department of Rural Development was amalgamated with the Department of Cottage Industries and was called the Department of Rural Development and Cottage Industries. The field organisation was brought under the control and supervision of the agents of the Rural Development and Cottage Industries Department in the field. The programme and policies that were adopted at the inception of the Department of Rural Development continued without much change for the next two decades except for the addition of a large work programme to inaugurate 1000 handloom textile and other industrial centres.

The amalgamation of Rural Development with Small Industries weakened the community development programme of the department. Time and funds were being spent to support the small industries to the extent that the main activity of community development was lost sight of. In 1970 the Department of Rural Development as a separate department was re-established and steps have been taken to venture forth on a more vigorous programme of work.

The present objectives of the Department of Rural Development are:

1) to harness the enthusiasm and the efforts of the rural people for improving the areas of their social, economic, and cultural conditions through the village organisations established by the people themselves; and

2) to bring into closer contact and cooperation these organisations and the various government extension services working in such areas.

In pursuance of the above objectives the department undertakes the following functions:

1) Establishing Rural Development Societies of men and women;

2) Training representatives of village level organisations and village level officers in community development;

3) Assisting Rural Development Societies in works initiated by them on a self-help basis;

4) Organising and utilizing voluntary free labour (shramadana) for local and national development;

5) Granting financial assistance to organisations which are engaged in special development activities;

6) Organising and conducting training classes in Home Economics and Needlework at village levels;

7) Providing welfare services for the development of socially handicapped communities;

8) Organising programmes for disseminating information related to family planning at the village level.

Although statistics are being kept on Rural Development Societies and Women's Societies started; roads, schools, industrial halls, dispensaries, latrines and wells built; irrigation channels cleared; the number of village level workers and officers trained, etc., no scientific studies have yet been made to evaluate these changes brought about for the upgrading of rural life.

Observations of field workers, however, have shown that there has been a definite change in the attitudes and aspirations of the rural people. About two decades ago, rural people took poverty for granted with a fatalistic view, explaining it in terms of "Karmic" forces. Education, through the schools as well as the education programmes carried on for the rural people by various development departments, chiefly the Department of Rural Development which organises training at the village level, has changed those attitudes and most village people today think in terms of obtaining the monetary benefits of economic development. Programmes of the Department of Rural Development together with programmes of other government development departments, the radio, mass education and to an extent electricity, have ended the traditional isolation of the old village and have laid the foundation for a new rural society. But enough has not yet been done to bring the rural people in step with the rest of the country, so that they may have, at the least, an equal share in the benefits of economic development.

The Rural Development Society was begun by the Department of Rural Development as a pivot for village development and was intended to be a multi-purpose organisation. Although it was expected that the Rural Development Societies would attend to the economic, social, cultural and physical improvement needs of the village and that the different Government departments would make use of it for their own purposes, it was found that some functional organisations were dealing directly with particular village activities sponsored by other government departments. This indicated that the Rural Development Society had lost its significance as a multi-purpose society.

The main difficulty was that not all government departments fully associated themselves with the Rural Development Society in the implementation of their own programmes. Sometimes, the degree to which associations did occur depended on the whims and fancies, prejudices and dislikes of individual officers. The Rural Development Society remains today as an organ through which the officers of the Department of Rural Development harness the enthusiasm and efforts of the rural people in developing their own areas. The spade work of preparing the rural people for and making them aware of the new vistas open to them, is done chiefly through the Rural Development Societies and the training programmes conducted to the 10 residential training centres of the Department of Rural Development.

Other government departments dealing directly with development programmes in the rural areas are the Departments of Agriculture, Local Government, Health, Co-operative Development, Education and the recently established Land Reforms Commission and the District Development Council Schemes under

under the Ministry of National Planning. Each department works out its own programme of work independent of other departments. There is no coordination at either the planning or implementation stage. Whatever coordination takes place at the village level is brought about by the field officers on a primarily personal level.

There is also the Lanka Mahila Samitiya, a voluntary association which was the pioneer organisation in the field to work for the welfare of rural women.

Observations

1) One conspicuous feature in the present set up is that in spite of a felt need for the coordination of development programmes for rural areas, the spirit of departmentalism that has prevailed from colonial times has not made it possible for any single government department (functioning under one ministry) to co-ordinate the work of government departments falling under several other ministries.

2) There is a noticeable lack of integration between the bureaucratic structure inherited from colonial administration and the popularly elected Local Government Bodies.

3) Planning in most government development departments has, till recent times been confined to the national level, without sufficient involvement of the rural people, or adequate feedback information.

4) Insufficient recognition is given by planners to the useful role the Department of Rural Development could play in an integrated rural development approach to initiate and organise all-round development programmes at the village level and harness the enthusiasm and efforts of the rural people.

5) The multiplicity of organisations in the rural areas causes wasteful expenditure of government funds, energy, personnel and creates confusion in the minds of the rural people. These include the Rural Development Society, the Agricultural Productivity Committee, Cultivation Committee, Young Farmer's Club, the Co-operative Society, the Community Centres, and People's Committees.

6) Officials of most government departments involved in development work lack sufficient knowledge and interests in the skills and techniques of enlisting the people's participation at the village level.

7) The education system under colonial rule gave rise to a set of values which led rural people to aspire to white-collar jobs, thereby weakening progress in agriculture.

8) Lack of capital formation in the hands of the small farmer and ineffective credit facilities, prevented maximum utilization of new technology which could, otherwise, have led to a Green Revolution.

9) Insufficient and ineffective incentives for better production and marketing caused discouragement among farmers.

10) There is a lack of entrepreneurship in undertaking new ventures.

11) There is a paucity of programmes involving women and youth in development programmes at the village level.

Proposals

Attempts should be made to establish an integrated rural development programme which provides co-ordination at the national, district and village levels thereby reducing the overlapping of functions, and to adapt a psychological approach to obtain popular participation in achieving specific goals within the overall national socio-economic development plans. Considering the problems facing Sri Lanka, the goals may be spelled out as follows:

a) agriculture as a lucrative field of employment for the farmer;

b) satisfying alternative job-opportunities in rural areas which are not necessarily in the field of agriculture;

c) increase in the participation of rural people, including women and youth, in the decision-making relevant to development activities and involve them in the implementation of such activities;

d) assurance that rural people get a fair share of the benefits of production;

e) effective programmes to modernize living conditions making physical infrastructure, services and facilities now existing in urban areas available in rural areas as well.

In order to achieve these goals a new set of institutional relationships and structures would have to be set up in rural areas, providing for an organisation and administrative structure uniting all programmes in such a way as to ensure timely action, effectiveness and accessibility. The ideal set up would be to minimize the number of organisations at the village level and accommodate them in one centre, preferably in the rural market area within easy reach of the people to be served.

PART IV

Appendices

Appendix I

Inaugural Address to the Seminar by

The Hon'ble Mr. Mokhtar bin Haji Hashim
Deputy Minister for Agriculture and Rural Development

It is indeed an honour and privilege for me to have been invited to inaugurate this Seminar on "Approaches to Rural Development in Asia", a subject which is very close to my heart. It is also a pleasure for me to do so because this is a gathering of eminent scholars and practitioners from across Asia which I believe would facilitate an intensive exchange of views and information on recent trends and current thoughts in the approaches and strategy to rural development in the various countries of Asia. This Seminar I am sure, will provide fresh perspectives and insights on policy formulation and plan implementation in the field of rural development, and hopefully through ACDA they could be made available to the countries in Asia who stand to benefit most by it.

I would like to congratulate ACDA for convening this Seminar at a time when the world, particularly the developing countries of the Asian region, is faced with a grave crisis which bears directly on the rural sector; for example, mass poverty, unemployment, extreme food shortage, under-productivity and high population growth rate. To cap it, the recent energy crisis has made food and agricultural production very expensive thus making the solution to these problems even more complex. In these circumstances, every nation is left to itself to evolve its own set of assumptions, approaches and strategies in the mobilisation of recources for rural development and to grapple with the problems brought about by poverty, unemployment and inequality within the rural population. The individual solutions by various countries, their record of successes and failures, would thus enrich the deliberations and findings of this Seminar. I would like to believe however, that such findings and conclusions will be more than generalisations or theoretical formulations, but, in view of the critical problems that are facing us at the moment, such recommendations would make an urgent impact on those who shape and implement policies for rural development. In developing new alternative strategies for the solution of rural development, sufficient attention should therefore be given to their operational capability, measured in terms of time and cost and potential effectiveness.

Ladies and Gentlemen, as I ponder over the objectives of this Seminar, I cannot but look back into the past performance of rural development strategies in the last two decades in Asia. I find that in spite of considerable resources that have been expended by many governments for the benefit of those who live in rural areas, the poor continue to remain poor while there exists an ever-widening gap between the "haves" and "have-nots" which at times threaten the political and economic stability of many nations. I ask myself why is it that with increases

in national income and in spite of the determination of governments to reduce or eradicate poverty, no significant achievement has been made to improve the incomes of the poor in the last decade. The frank answer, in the first place, is that increases in national income, essential as they are, will not benefit the poor unless they reach the poor. They have not reached the poor in any significant degree in the past in spite of historical unprecedented rates of growth throughout 1960s. Secondly, a more effective and integrated rural development strategy, not piece-meal and ad hoc solutions, have to be established and accepted by those for whom they are intended to benefit. This means investing our human and material resources in an integrated manner which should include a whole range of policies, which together form a package deal and would directly contribute to effectively reduce poverty, inequality and unemployment; improve income levels of the poor and landless, and develop a better quality of life for the rural population. Such a comprehensive strategy requires a fresh approach from traditional policy making, a strong will to succeed from those who plan and implement policies and above all a genuine concern and respect for the clientele - the poor and the needy. This would of course constitute a radical departure from past practice: new insights, new strategies and new emphases, coupled with a certain amount of bloodletting within the administrative system itself. The administrative and managerial capability of governments would have to be continuously reviewed and upgraded through radical surgery, in order to meet new demands and new situations. It is important that civil servants are equipped with new ideas, new skills and new practices and act as change agents all the time.

In this context, it is perhaps relevant to stress that one of the most wasteful mistakes that developing countries in Asia can make is to proceed on a random project-by-project basis without first establishing an overall development strategy and then selecting projects that mutually support and interlock with one another within that overall plan.

We in Malaysia are fully conscious of the need for a comprehensive strategy for rural development. Our New Economic Policy which forms the backbone of our Second Malaysia Plan constitutes a radical departure from past policies and provides an overall long-range perspective. The Plan incorporates a two-pronged approach for development. The first prong is to reduce and eventually eradicate poverty by raising income levels and increasing employment opportunities for all Malaysians irrespective of race. The second prong aims at accelerating the process of restructuring the Malaysian society to correct racial economic imbalance. This process involves the modernisation of rural life, the establishment of agro-based industrial activities in new growth centres within a rural environment and intensive regional development in economically backward areas. The objectives, priorities and strategies of the plan have all been shaped by the overriding need for national unity which in essence means the bridging of the gap

between the "haves" and "have-nots". Our search for economic balance is the very basis for our national unity. While devoting our efforts to the task of achieving rapid economic development, we need to ensure at the same time that there is social justice, equitable sharing of income growth and increasing opportunities for employment. The importance of this declaration in terms of an overall rural development strategy will be best understood by the knowledge that about 80% of the population in Malaysia live in rural areas.

The Government is fully aware of the many problems involved in attaining our objectives. It is even appreciated that their solution cannot be accomplished in full within the time span of 5 years. Overall solution would depend further on new ideas, new strategies, innovations and reforms. I am sure that other developing countries of Asia too are actively involved in one way or another in trying to find new solutions to the social and economic problems particularly those emanating from the rural sector. It is therefore very opportune that this Seminar is held at this time to deliberate on the approaches and problems of rural development and to develop new ideas through the deliberations and dialogue between scholars and government servants. Much will depend on the amount of information and feedback that is available to you on the experience of rural development in the Asian region. We in Malaysia look forward to learn from you. The exchange of information between scholars and practitioners is indeed very valuable, for, government administrators as a rule have little time to plan ahead for the needs of the future as they are engaged with day to day problems. On the other hand they have a wealth of information on the actual problems that are being faced in the field which could be of use to the scholars in order to test the validity of their assumptions and theoretical formulations. I would like to repeat however, that it is indeed essential that your findings and recommendations are policy-relevant and action-oriented. As an Asian I have a deep respect for scholarship but let me say this, in a light vein, that from my little experience I find that academicians generally seem to be more knowledgeable about misgovernment than about good government.

Ladies and Gentlemen, while there may be general agreement on the need for an overall development strategy in rural development, the question arises as to the appropriate approach and methodology - - basically the methodology to tackle the grave problems of mass poverty, unemployment and inequality within the Asian region. No doubt this matter will be substantially dealt with in the Seminar and some of you may already have an answer. What concerns me most is a World Bank report which distinguishes at least two broad categories of poverty in the developing world. First, there is great poverty in those small countries that have very few resources with which to promote growth. There is so little wealth in these nations - - 25 of them with about 150 million population - - that even if the wealth were more equitably distributed, virtually everyone would still be very

poor. Another class of poverty is the most extensive, the most pervasive and the most persistent of all. It is the poverty of the low-income strata - roughly the poorest 40% of the total population in all developing countries. It is they who, despite their country's gross economic growth, remain trapped in conditions of deprivation that fall below any definition of human decency.

Alleviation of this poverty, the poverty of the poorest 40% of the citizenry who are members of farm families, is indeed of immense urgency. World Bank studies indicate that:

> "In ten countries, with per capita incomes averaging $145, the poorest 40% of the population receive a per capita income of only $50. In another ten countries with per capita incomes averaging $275, the poorest 40% of the population receive a per capita income of only $80."

It is indeed sad to note that according to World Bank experts, although the miracle of the Green Revolution may have arrived, for the most part, the poor farmer has not been able to participate in it. He cannot afford to pay for the irrigation, the pesticides, fertilizers, or perhaps even for the land itself, on which his title may be vulnerable and his tenancy uncertain. These farmers are not small in number. Indeed there are hundreds of millions of them - i.e. 40% of the entire population in developing countries. Their countries are growing in gross economic terms, but their individual lives are desperate and stagnating.

The story of rural development then is the story of extensive poverty. We in Malaysia are perhaps more fortunate in that our climate and natural resources provide nature's protection to our rural poor much more than in some other countries, and that the pressure of population to land is not so acute. But this is not typical of Asia at large, and a true picture of the rural environment in Asia must be viewed through the preceding account. Perhaps this is the only meaningful basis on which to develop new approaches or strategies to rural development - namely extensive and pervasive poverty and with it, runaway population growth and inequitable distribution of wealth.

Incidentally, it may be useful for the Seminar to consider the suggestion of our Prime Minister, His Excellency Tun Abdul Razak, on the need for the establishment of an Asian Food Bank which he made at a Colloquium organised by ACDA, sometime last year. This inevitably means that, for individual nations, it is vital to formulate a comprehensive food policy within each country, through a thorough assessment of needs and resources and the enhancement of the organisational arrangements and delivery systems.

The Green Book Plan, recently launched in Malaysia is our attempt in this direction. It is aimed at food self-sufficiency and to raise the income of farmers. However, I must admit that we have more to learn from the experience of other countries in Asia, and with this note I wish you every success in your deliberations in this Seminar.

I would also like to congratulate ACDA once more for pooling and integrating the intellectual resources of Asia in this Seminar on this critical area of development. I hope ACDA succeeds in establishing itself as the clearing house on Asian development and management problems and provide consultancy services in specific fields of development.

Lastly, I wish you all a pleasant stay in Malaysia, and please do find the time to visit our development projects.

Thank you.

Appendix II

LIST OF PARTICIPANTS IN SEMINAR ON APPROACHES TO RURAL DEVELOPMENT IN ASIA

26 May - 3 June, 1975.

I

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PRICED PUBLICATIONS OF ACDA

BOOKS:

1. MANAGEMENT TRAINING FOR DEVELOPMENT: THE ASIAN EXPERIENCE

Edited by Inayatullah, Expert in Development Administration

The book includes 8 papers by Inayatullah, H.S. Wanasinghe, Elyas bin Omar, Raul P. de Guzman, Ralph Braibanti, Carlos P. Ramos, William J. Siffin, Hans C. Blaise.

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